

**CITY OF ANAHEIM
PUBLIC UTILITIES BOARD**

MINUTES

February 26, 2020

The agenda, including the Teleconference Notice, having been posted on Friday, February 21, 2020, the Regular Meeting of the Public Utilities Board (Board) was called to order by Chairperson E. Medrano at 5:00 p.m. on Wednesday, February 26, 2020, in the 11th Floor Large Conference Room, Anaheim West Tower, 201 S. Anaheim Blvd., Anaheim, California.

Board Members Present: Chairperson E. Medrano, Vice-Chairperson J. Seymour, R. Bhalla, J. Showalter (via teleconference), R. Gaona, V. Baroldi, A. Abdulrahman

Board Members Absent: None.

City Staff Present: D. Lee, M. Moore, J. Lonneker, B. Beelner, A. Kott, J. Lehman, P. Oviedo, M. Seifen, L. Quiambao, S. Smith, C. Parker, J. Sanks, S. Boodanian

Guest(s) Present: A. Wiesner

AGENDA ITEM

ACTION TAKEN

PUBLIC COMMENTS.

There being no public comments, Chairperson E. Medrano closed the public comments portion of the meeting.

1. APPROVAL OF THE MINUTES OF THE PUBLIC UTILITIES BOARD PUBLIC HEARINGS / REGULAR MEETING OF JANUARY 22, 2020. *

Vice Chairperson J. Seymour moved approval of the Minutes of the Public Utilities Board Public Hearings / Regular Meeting of January 22, 2020. V. Baroldi seconded the motion.

**MOTION CARRIED: 7-0.
ABSTAINED: 0.
ABSENT: 0.**

2. PRESENTATION: SAFETY SERVICES – PROTECTING EMPLOYEES AND THE PUBLIC.

J. Sanks, Environmental and Safety Services Manager provided a presentation on Safety Services: Protecting Employees and the Public. He offered a description of the types of hazards that can pose a risk to employees, and emphasized Anaheim Public Utilities Department (APU) intent to prevent all injuries. J. Sanks provided the Board with an update of the types of injuries experienced by APU staff in 2019, and protective measures that would be used to help prevent them in the future. He discussed the importance of near miss reporting, training for all employees, and coordinating with other Departments, contractors, and agencies to share safety learnings and determine best practices. He highlighted efforts to increase employee engagement and communication, and emphasized the importance of customer safety, by establishing clear traffic control and teaching residents about the hazards of downed power lines and balloon releases. He noted that overall disabling injury rates have been declining since the 1980s and decreased further in 2019. In response to an annual survey, Safety Services will increase office staff engagement by forming an Office Safety Committee, updating the Accident Prevention Manual, and increasing training for office staff who visit field sites.

3. APPROVAL OF AN AGREEMENT WITH THE ORANGE COUNTY WATER DISTRICT RELATED TO PFAS WATER QUALITY TREATMENT TESTING AND CONSULTING SERVICES IN AN AMOUNT OF \$350,000 WITH A TWENTY PERCENT (20%) CONTINGENCY. *

C. Parker, Water Engineering Manager, presented an update to the Board about the reduction in use of groundwater due to per- and polyfluoroalkyl substances (PFAS) and mitigation strategies that will require treatment technologies. C. Parker also briefed the Board on the proposed agreement with Orange County Water District (OCWD). He indicated that the Agreement would allow APU to utilize OCWD’s technical consultants to perform work on behalf of Anaheim.

The Board asked how many wells would be included in Phase 1 treatment measures. C. Parker indicated that it was not known exactly at this time, but likely between six to eight wells. The Board inquired about the differences and treatment capabilities between Reverse Osmosis (RO) and Nano filtration technologies. C. Parker explained that technologies such as RO are more robust and that they are comprehensive in treatment effectiveness and are a complicated process as opposed to filtration. In other words, it will remove more constituents that may be regulated in the future. The Board also asked about the amount of unusable water results from RO and where will that water be discharged. M. Moore,

A. Abdulrahman moved the Approval of an Agreement with the Orange County Water District related to PFAS water quality treatment testing and consulting services in an amount of \$350,000 with a twenty percent (20%) contingency. Vice Chairperson J. Seymour seconded the motion. **MOTION CARRIED: 7-0. ABSTAINED: 0. ABSENT: 0.**

Assistant General Manager – Water Services, indicated that it varies, but about 20 percent will be rejected. The water will probably be discharged in the Santa Ana Regional Interceptor (SARI), which is located near one of the treatment sites. He further explained that the used resin for granular activated carbon (GAC) and ion exchange (IX) systems would be disposed of in a landfill. The Board asked about how much water flow is lost with GAC and IX. M. Moore noted that there may be some well supply diminished by riding up on the pump curve due to additional head loss going through the GAC/IX systems.

4. APPROVAL OF AN AGREEMENT FOR A WEB-BASED ELECTRIC VEHICLE CUSTOMER EDUCATION PLATFORM WITH E-MOBILITY MARKET SERVICES, INC., D/B/A ZAPPYRIDE FOR A TERM OF THREE YEARS AT \$158,000 WITH UP TO THREE ONE-YEAR EXTENSIONS AT \$36,000 PER YEAR IN A NOT-TO-EXCEED AMOUNT OF \$266,000 AND A TEN PERCENT (10%) CONTINGENCY. *

S. Smith, Integrated Resources Manager, discussed the proposed Web-based Electric Vehicle (EV) Customer Education Platform Agreement with E-Mobility Market Services, Inc., D/B/A ZappyRide. APU is looking to assist customers with EV questions and promote further adoption. Through this website, customers will be able to receive information on new and used EVs. Additionally, APU customers will have access to the total cost of ownership comparisons amongst EVs and internal combustion cars, see all rebates and incentives at a Federal, State, and APU level, locate charging stations in their area, find local EV auto dealers inventory, research EV charging equipment, and will be available in English and Spanish.

The Board asked about funds for project, which were explained to come from California Air Resources Board’s Low Carbon Fuel Standard (LCFS), which must be spent on programs like this and will have no impact to the budget. The Board questioned the need for such a website since free data is available online. Staff explained that the website is able to aggregate non-biased information for the benefit of APU customers in an easy to use central location, and that customers do seek information from their local utility.

5. APPROVAL OF AN AGREEMENT FOR ELECTRIC VEHICLE RIDE AND DRIVE EVENTS WITH PLUG IN AMERICA FOR A TERM OF THREE YEARS AT \$131,850 WITH UP TO TWO ONE-YEAR EXTENSIONS AT \$43,950 PER YEAR IN A NOT-TO-EXCEED AMOUNT OF \$219,750 AND A TEN PERCENT (10%) CONTINGENCY. *

V. Baroldi moved Approval of an Agreement for a Web-based Electric Vehicle Customer Education Platform with E-Mobility Market Services, Inc. D/B/A ZappyRide for a term of three years at \$158,000 with up to three one-year extensions at \$36,000 per year in a not-to-exceed amount of \$266,000 and a ten percent (10%) contingency. R. Gaona seconded the motion. **MOTION CARRIED: 7-0. ABSTAINED: 0. ABSENT: 0.**

Vice Chairperson J. Seymour moved approval of an Agreement for Electric Vehicle Ride And Drive Events With Plug In America for a term of three years at \$131,850 with up to two one-year extensions at

D. Lee, General Manager, explained the proposed EV Ride and Drive Events agreement with Plug In America offers APU customers with EV test drives in a low pressure environment where they can get their questions answered. Additionally, this Agreement will build on the successful OC Ride and Drive Event APU hosted in June 2019. Finally, LCFS funds would be used to fund this agreement.

\$43,950 per year in a not-to-exceed amount of \$219,750 and a 10% contingency. A. Abdulrahman seconded the motion.

MOTION CARRIED: 7-0.
ABSTAINED: 0.
ABSENT: 0.

6. SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY EXPENDITURES ANNUAL REPORT (FISCAL YEAR 2018/19).

S. Smith updated the Board on APU's Southern California Public Power Authority (SCPPA) Expenditures for Fiscal Year (FY) 2018/19. S. Smith explained SCPPA enables APU to leverage resources between multiple public power agencies in order to achieve economies of scale and pass those lower costs on to customers. The majority of the APU's SCPPA expenditures are its participation in the generation, transmission, natural gas and renewable projects, where there is joint interest among other utilities. APU's aggregated SCPPA expenditures totaled approximately \$79.5 million, which is within 3% of the Board-recommended, and Council-authorized amended FY 2018/19 budget. Of the \$79.5 million, \$77.8 million are for large projects, such as Canyon and Magnolia Power Projects. The Joint Utility Program portion, which include energy efficiency and rebate programs, as well as power and industry training, outside legal counsel, regulatory compliance services, were \$1.7 million, which declined from the prior fiscal year. The reduction was a result of managing more programs through the City.

7. UPDATE ON ELECTRIC SYSTEM ISSUES.

J. Lonneker, Assistant General Manager – Electric Services, provided an update and photos of the completed LED streetlight project along W. Alberta Street and N. Ohio Street. J. Lonneker made the Board aware that the project included installation of approximately 42 lights to address a lack of street lighting in the neighborhood and several security concerns raised by residents to the Community Services Department.

8. UPDATE ON WATER SYSTEM ISSUES.

M. Moore discussed a cooperative project with Metropolitan Water District (MWD) to upgrade a major flow control facility on Tustin Avenue. The existing facility was in poor condition and required replacement. Both APU and MWD staff worked together to complete the upgrade project.

M. Moore made the Board aware of many of the large water meters across the City are located in underground vaults. The lids

on some of the vaults can deteriorate over time resulting in possible tripping hazards in sidewalks. M. Moore showed photographs of a program that is replacing the lids on these meter vaults to improve public safety.

9. UPDATE ON FINANCE ISSUES.

B. Beelner, Assistant General Manager – Finance and Administration, discussed the monthly dashboard with the Board indicating that the fiscal year to date electric revenue through January 31, 2020 was 2.8% below budget (\$7.5M) due primarily to a temperate summer causing low retail demand coupled with lower than expected wholesale revenue driven by lower than expected wholesale prices. Costs for the fiscal year fell below budget by 7.2% (\$19.5M) also due to lower than expected demand and lower than expected wholesale power prices causing a positive net budget variance of \$12M. B. Beelner then mentioned that year to date water revenue was 4.6% (\$2.5M) below budget due to weaker than anticipated customer demand as a result of the temperate summer. Costs were below budget as well by 4.1% (1.9M) causing a negative net budget variance of \$0.6M.

B. Beelner discussed the recent 2020 water and electric revenue bond issuances. He discussed how the continued strong demand in the bond market has continued to push down interest rates. These continued low interest rates allowed the APU to refund electric and water bonds saving electric customers over \$57 million in future interest payments and shortening the term of the refunded electric bonds by 7 years. Water customers will save over \$13 million in future interest payments with terms shortened by 8 years.

10. UPDATE ON POWER SUPPLY ISSUES.

S. Smith provided the Board with a summary of APU's Power Supply Portfolio for January. Low demand put downward pressure on wholesale market prices, which led to a decrease in dispatches of APU's conventional units, decrease in wholesale sales, and an increase in wholesale market purchases for the month. Renewable generation increased from last month because of additional wind production.

The Sustainable Schools Award winners selected from a panel from some members of the Board were announced and a video covering the events was shown. Katella High School and Baden-Powell Elementary School were provided 30 chrome books to be used by students.

11. UPDATE ON ENTERPRISE RISK AND COMPLIANCE.

J. Lehman, Chief Risk Officer, shared with the Board that in late February she and staff had met with elected state representatives to brief them on APU, and to touch base with them on legislative issues. Discussions included the need for water quality standard processes that are transparent and science-based, and concerns related to forced procurement mandates that can result in increased costs to customers. The meetings will help APU staff share concerns and offer solutions regarding specific legislation that could impact customers in the future.

J. Lehman also reported that this legislative session will once again include a focus on water and electric issues. Over 2,000 bills have been introduced this year alone. Staff will review and provide updates on key bills affecting utility operations and costs.

12. ITEM(S) BY SECRETARY.

D. Lee shared with the Board the items scheduled for the following Board meeting include:

- Utilities Success Indicators update
- Greenhouse Gas Reduction Plan
- Transmission Tariff
- Department orders
- Survey of electric professionals on key issues impacting the industry

D. Lee shared photos from Love Anaheim who assists with painting fire hydrants. To date, over 600 fire hydrants have been painted through Love Anaheim service projects, and 81 hydrants have been painted through Better Way Anaheim, in which homeless individuals are provided work experience and job training.

D. Lee also shared that the homeless shelter operated by the Salvation Army will be expanded as authorized by City Council, and that the utility will provide for the water and power needs.

13. ITEM(S) BY BOARD MEMBERS.

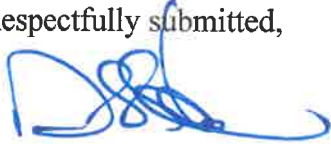
A. Abdulrahman commented that he appreciated the news article regarding Pacific Gas & Electric (PG&E) that was forwarded to the Board.

14. ADJOURNMENT: (NEXT REGULAR MEETING ON MARCH 25, 2020, AT 5:00 P.M., IN THE 11TH FLOOR LARGE CONFERENCE ROOM, ANAHEIM WEST TOWER, 201 S. ANAHEIM BOULEVARD, ANAHEIM, CALIFORNIA).

Vice Chairperson J. Seymour moved to adjourn the Regular Meeting at 6:43 p.m. to the Board's Regular Meeting date of March 25, 2020 at 5:00 p.m. in the 11th

Floor Large Conference
Room of Anaheim West
Tower. R. Gaona seconded
the motion. **MOTION
CARRIED: 6-0.
ABSTAINED: 0.
ABSENT: 1[V. Baroldi].**

Respectfully submitted,



Dukku Lee
Public Utilities General Manager

- * Indicates item(s) that will be forwarded to City Council for action upon recommendation by the Board.
- ** Indicates item(s) that will be forwarded to City Clerk and City Council for informational purposes.