

**CITY OF ANAHEIM
PUBLIC UTILITIES BOARD**

MINUTES

April 22, 2020

The agenda, including the Teleconference Notice, having been posted on Thursday, April 16, 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, April 22, 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 (via teleconference), R. Bhalla (via teleconference), J. Showalter (via teleconference), R. Gaona (via teleconference), V. Baroldi (via teleconference), A. Abdulrahman (via teleconference)

Board Members Absent: None.

City Staff Present: D. Lee, P. Oviedo, A. Kott, M. Moore (via teleconference), J. Lonneker (via teleconference), B. Beelner (via teleconference), G. Bowen (via teleconference), J. Lehman (via teleconference), M. Seifen (via teleconference), T. Cooke (via teleconference)

Guest(s) Present: Andrew Dressler (via teleconference) and Keith Lorenzetti (via teleconference), Guidehouse, Inc.

AGENDA ITEM

ACTION TAKEN

PUBLIC COMMENTS.

There being no oral public comments or public comments submitted pursuant to the Teleconference Notice, Chairperson E. Medrano closed the public comments portion of the meeting.

1. APPROVAL OF THE MINUTES OF THE PUBLIC UTILITIES BOARD REGULAR MEETING OF FEBRUARY 26, 2020. *

Vice Chairperson J. Seymour moved approval of the Minutes of the Public Utilities Board Regular Meeting of February 26, 2020. R. Gaona seconded the motion.

**MOTION VIA ROLL
CALL VOTE CARRIED:
5-0.
ABSTAINED: 0.
ABSENT: 2 [R. Bhalla, A.
Abdulrahman].**

2. APPROVAL OF THE 2020 WILDFIRE MITIGATION PLAN (PLAN) AND AUTHORIZE THE PUBLIC UTILITIES GENERAL MANAGER OR DESIGNEES TO TAKE ALL ACTIONS NECESSARY, REQUIRED, OR ADVISABLE TO IMPLEMENT, ADMINISTER, FUND, AND CARRY OUT THE ACTION OR ACTIVITIES ENVISIONED BY THE PLAN. *

Vice Chairperson J. Seymour moved the approval of the 2020 Wildfire Mitigation Plan. A. Abdulrahman seconded the motion.

**MOTION VIA ROLL
CALL VOTE CARRIED:
7-0.
ABSTAINED: 0.
ABSENT: 0.**

T. Cooke, Electric Operations Manager, presented to the Board the Anaheim Public Utilities Department (APU) 2020 Wildfire Mitigation Plan (Plan) explaining how the revised Plan has been adapted to align with rapidly changing state regulatory requirements outlined in Public Utilities Code (PUC) Section 8387 and also features best practices from the utility industry. T. Cooke then introduced the Qualified Independent Evaluator (QIE) team consisting of Andrew Dressler and Keith Lorenzetti of Guidehouse, Inc. who were selected by APU through an open procurement process for their experience in assessing the safe operation of electrical infrastructure and evaluating wildfire risk from electrical infrastructure and mitigation strategies. Guidehouse reviewed and assessed the comprehensiveness of the Plan and shared the report of their findings with the Board. Guidehouse reported to the Board their conclusion that the Plan is comprehensive and meets the statutory requirements in accordance with PUC Section 8387.

The Board inquired about safety and operation procedures for limiting operational activities during emergency situations and asked when those safety procedures will be put in writing. Staff indicated that safety and operational activities are already being practiced by field staff and will be documented in the System Order by June 2020.

3. APPROVAL OF THE 2020 GREENHOUSE GAS REDUCTION PLAN (2020 PLAN) AND AUTHORIZE THE PUBLIC UTILITIES GENERAL MANAGER OR DESIGNEES TO TAKE ALL ACTIONS NECESSARY, REQUIRED, OR ADVISABLE TO IMPLEMENT, ADMINISTER, FUND, AND CARRY OUT THE ACTIONS OR ACTIVITIES ENVISIONED BY THE 2020 PLAN. *

Vice Chairperson J. Seymour moved approval of the 2020 Greenhouse Gas Reduction Plan. A. Abdulrahman seconded the motion.

**MOTION VIA ROLL
CALL VOTE CARRIED:
7-0.
ABSTAINED: 0.
ABSENT: 0.**

G. Bowen, Assistant General Manager – Power Supply, provided the Board with an overview of the 2020 Greenhouse Gas Reduction Plan (2020 Plan). G. Bowen indicated that the plan was

first developed back in early 2015 at the request of Council Member Brandman and at a subsequent City Council meeting in October 2019, Council Member Brandman requested that APU bring back an updated plan to reflect the introduction of Senate Bill 100 by the California State Legislature in 2018.

G. Bowen explained that the 2020 Plan update establishes APU's updated goals for 2030 and new goals for 2045; additionally, the Plan provides an overview of APU's accomplishments since the plan was first developed in 2015. G. Bowen highlighted the major actions taken by APU to reduce its carbon footprint, pointing to APU's divestiture of its coal-fired power plant in New Mexico and the new renewable contracts to replace that energy. G. Bowen also mentioned that APU took steps to retire the Kraemer Power Plant from service due to a lack of available parts for ongoing operations. Overall, the 2020 Plan identified that 1,908,300 metric tons of carbon dioxide equivalent greenhouse gases have been reduced as a result of the various sustainability programs.

The Board inquired about specific measures, and staff responded by stating additional details will be provided to the Board at a later date.

Staff will prepare a presentation with additional greenhouse gas reduction details at a future Board meeting.

4. APPROVAL AND AUTHORIZATION OF THE POSTING THE 2020 WATER QUALITY REPORT ON THE ANAHEIM PUBLIC UTILITIES WEBSITE AND FOR THE PUBLIC UTILITIES GENERAL MANAGER OR DESIGNEE TO PROVIDE A CERTIFICATION OF COMPLETION OF POSTING TO THE STATE WATER RESOURCES CONTROL BOARD DIVISION OF DRINKING WATER.

J. Lehman, Chief Risk Officer, invited the Board's attention to the 2020 Annual Water Quality Report (Report) detailing that APU either met or exceeded all federal and state water quality requirements. J. Lehman pointed out a correction to page 9 of the Report. She stated that there was an omission of a Public Health Goal level for Chromium, Hexavalent. The level was listed as "n/a" when it is actually 0.02 parts per trillion.

J. Lehman requested the Board's approval to post the corrected Report on the web site and certify to the State Water Resource Control Board when the posting was completed. She mentioned that customers would be informed on their bill inserts that the Report was available and how to receive a hard copy if they preferred one.

The Board inquired about the Federal Environmental Protected Agency's (EPA) regulation of PFAS compounds. Staff mentioned that, in general, if federal EPA standards become less strict, the

A. Abdulrahman moved approval to post the corrected 2020 Water Quality Report on the City of Anaheim Public Utilities website and provide Certification of Completion of Posting to the State Water Resources Control Board Division of Drinking Water. R. Gaona seconded the motion.

**MOTION VIA ROLL
CALL VOTE CARRIED:
7-0.
ABSTAINED: 0.
ABSENT: 0.**

state can have higher standards and that since this is an emerging issue the state of California is likely to maintain higher standards.

The Board asked how the water quality data is gathered given that the City has different districts. Staff indicated that the water system is operated as a whole system and that samples are taken throughout the City per our state drinking water permit and ensures the samples reflect all areas of the City.

5. APPROVAL OF AGREEMENT FOR CITY-OWNED ELECTRIC VEHICLE (EV) CHARGER OPERATION AND MAINTENANCE BETWEEN THE CITY OF ANAHEIM AND KOURTIS INDUSTRIES LTD., DBA ENERGY MANAGEMENT SOLUTIONS, IN THE AVERAGE ANNUAL SUM OF \$60,000 FOR AN INITIAL FIVE-YEAR TERM, WITH THREE ONE-YEAR OPTIONAL EXTENSIONS, WITH A 10% CONTINGENCY FOR EXTRA SERVICES. *

G. Bowen discussed the Operation and Maintenance Agreement for City-Owned Electric Vehicle (EV) Chargers with the Board. G. Bowen explained that APU currently has installed 56 EV charging stations throughout City-owned facilities for fleet and public use and that in order to maintain these charging stations, APU is seeking to contract for annual operation and maintenance services through a third party provider.

G. Bowen indicated that APU issued a request for proposals earlier in the year to seek operations and maintenance support services and received 8 proposals. Kourtis Industries was selected to provide the services because of their extensive experience maintaining and repairing the various EV charger brands that APU currently owns, and has performed various electrical vehicle services for other cities. He shared with the Board that the funding to maintain and support EV charger operations will be provided through the Low Carbon Fuel Standard program and administered through the California Air Resources Board.

6. APPROVAL OF AGREEMENT WITH C.R.&A. CUSTOM, INC. FOR GRAFFITI ABATEMENT SERVICES IN THE AVERAGE ANNUAL SUM OF \$341,287 FOR AN INITIAL THREE-YEAR TERM, WITH TWO ONE-YEAR OPTIONAL EXTENSIONS, WITH A 15% CONTINGENCY FOR EXTRA SERVICES; AND DETERMINE THAT THESE SERVICES ARE CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SECTION 15301(B) OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS. *

J. Lonkeker, Assistant General Manager – Electric Services, provided background information to the Board about the City’s

R. Gaona moved approval of an Agreement for Electric Vehicle Charger Operation and Maintenance services with Kourtis Industries LTD., DBA Energy Management Solutions, in the average annual sum of \$60,000 for an initial five-year term, with three one-year optional extensions, with a 10% contingency for extra services. Vice Chairperson J. Seymour seconded the motion.

MOTION VIA ROLL CALL VOTE CARRIED: 7-0.

**ABSTAINED: 0.
ABSENT: 0.**

Vice Chairperson J. Seymour moved approval of an Agreement with C.R.&A. Custom, Inc. for Graffiti Abatement Services in the average annual sum of \$341,287 for an initial three-year term, with two one-year optional extensions, with a 15% contingency for extra services end determine that these services are categorically exempt from

current graffiti removal practices and the supplemental APU Graffiti Abatement program. J. Lonneker requested the Board's approval on the new 3-year term Graffiti Abatement program agreement in the average annual sum of \$341,287 for vinyl wrapping of up to 900 utility equipment enclosures with option to extend the contract twice for additional one-year terms. J. Lonneker explained to the Board the contract does not include sealant applied to streetlight poles like the previous agreement and that those services will be included in a separate contract in the future.

7. APPROVAL OF THE ANAHEIM WATER RECYCLING DEMONSTRATION FACILITY OPERATIONS AND MAINTENANCE AGREEMENT BETWEEN THE CITY OF ANAHEIM AND INTEGRATED PERFORMANCE CONSULTANTS, INC. TO PROVIDE CONTRACT OPERATIONS AND MAINTENANCE SERVICES FOR THE WATER RECYCLING DEMONSTRATION FACILITY IN THE AVERAGE ANNUAL SUM OF \$236,236 FOR AN INITIAL THREE-YEAR TERM WITH FIVE ONE-YEAR OPTIONAL EXTENSIONS, WITH A 15% CONTINGENCY FOR EXTRA SERVICES, IF NEEDED, AND A ONE-TIME UPGRADE OF THE EXISTING CONTROL SYSTEM SOFTWARE PROGRAMING IN THE SUM OF \$22,500. *

M. Moore, Assistant General Manager – Water Services, presented the proposed Agreement with Integrated Performance Consultants for the operations and maintenance of the Water Recycling Demonstration Facility (WRDF). M. Moore indicated that the initial term of the Agreement is three years with five one-year optional extensions. The WRDF operations and maintenance has been contracted since it came online in 2013. Integrated Performance Consultants has been operating the WRDF since 2013, and the proposed agreement cost is consistent with their existing agreement that will expire in May 2020.

The Board asked why there were only two bidders. M. Moore responded that likely because this is a smaller treatment plant, some contractors did not submit a proposal. The Board asked if the WRDF is a cost effective source of water. M. Moore responded the WRDF is not APU's lowest cost water supply, however, the purpose of the plant is for demonstration and education purposes. The Board asked how similar the proposed cost are with the existing agreement. M. Moore explained that the cost are very similar with annual operating and maintenance cost being approximately \$230,000 per year.

CEQA. R. Bhalla seconded the motion.

MOTION VIA ROLL CALL VOTE CARRIED: 7-0.

ABSTAINED: 0.

ABSENT: 0.

V. Baroldi moved approval of the Anaheim Water Recycling Demonstration Facility Operations and Maintenance Agreement with Integrated Performance Consultants, Inc. to provide contract operations and maintenance services for the Water Recycling Demonstration Facility in the average annual sum of \$236,236 for an initial three-year term with five one-year optional extensions with a 15% contingency for extra services and a one-time upgrade of the existing control system software programing in the sum of \$22,500. R. Gaona seconded the motion.

MOTION VIA ROLL CALL VOTE CARRIED: 7-0.

ABSTAINED: 0.

ABSENT: 0.

8. UTILITIES SUCCESS INDICATORS.

B. Beelner, Assistant General Manager – Finance and Administration, gave a presentation on the Utilities Success Indicators (USI) for the reporting period covering July 1, 2019 through December 31, 2019. B. Beelner provided an overview of the USI report, explaining how the key performance indicators measure APU's performance across several operating areas and mentioned that the report would be posted on the Anaheim Public Utilities website.

9. QUARTERLY STATUS REPORTS ON CAPITAL IMPROVEMENT PROJECTS, MASTER AGREEMENTS, GENERAL SERVICES AGREEMENTS, AND SPOT BID AWARDS.

J. Lonneker explained to the Board the expenditure variance in the overall Electric Services Capital Improvement Projects budget and specifically in the Underground Conversion category, which is due to an earlier encumbrance of \$20.5M for the multi-year undergrounding project planned on Beach Blvd., which is currently in design with APU staff working with Caltrans for permitting. J. Lonneker indicated that construction of the project is contingent on receiving permits and expenditures will increase when construction begins. In addition, City Council awarded \$5M for the UD-65 Phase 1 Royal Oak UG in March 2020, which is not yet reflected in the current CIP dashboard but will be encumbered this FY.

D. Lee, Public Utilities General Manager, explained to the Board that the Solar for Schools projects have been placed on hold due to the COVID-19 state restrictions.

Lastly, M. Moore indicated that the Water CIP encumbered contracts are significantly less than budgeted due to the deferral of the Anaheim South Recycled Water Project for the groundwater treatment plant projects that are planned for next fiscal year. M. Moore also indicated the groundwater treatment plant projects are time sensitive to reduce imported water supply cost and that some of these agreements will be taken directly to City Council to save time. These agreements will be reviewed with the Board in the future with a presentation on the overall program. The Board commented that the determination to prioritize the groundwater treatment plant projects made sense.

10. CORONAVIRUS UPDATE – ESSENTIAL WATER AND POWER SERVICES FOR CUSTOMERS.

D. Lee gave a presentation on APU's status during the current Coronavirus pandemic.

B. Beelner provided the Board with an overview on the Finance and Administration division. B. Beelner indicated that staff has been provided with the proper personal protective equipment (PPE). B. Beelner then mentioned that most of the Call Center representatives are currently telecommuting.

M. Moore indicated that Water Services is continuing with critical operations like serving pumps and valves but has temporarily stopped working on certain maintenance and other non-critical services that don't pose a risk for an outage. M. Moore mentioned staff is practicing physical distancing in their workspace when possible and field employees are practicing distancing by driving separate vehicles.

J. Lonneker noted that Electric Services has also reduced or cancelled non-essential outages during this time and when possible, have scheduled outages to take place at nighttime to limit any inconvenience to APU customers. J. Lonneker indicated that field staff are aware that they need to wear their PPE when working in close proximity, for example in confined spaces. J. Lonneker also mentioned that Electric Services engineering and office staff are primarily telecommuting.

G. Bowen provided an update on the impacts of the Coronavirus to the Power Supply division. He explained that several projects would be postponed until Fiscal Year 22, including Solar for Schools, Energy Storage System, and the decommissioning of the Kraemer Power Plant. G. Bowen also explained that the Technology group, provided computer support services so staff had the ability to telecommute and connect to the City intranet remotely. G. Bowen also shared with the Board that most of the commercial and residential programs were suspended and that rebate programs are still being processed. G. Bowen also made the Board aware that the electrical load has dropped due to the Governor's Stay at Home order on March 19.

J. Lehman provided an update on Enterprise Risk and Compliance division. J. Lehman indicated that safety is the priority and main concern during this time and that staff has been working diligently with field crews to reevaluate work practices and modify procedures where appropriate. In addition to the update on COVID-19 impacts, J. Lehman invited the Board's attention to the Internal Compliance Report in the Board's packet; she indicated that staff works effectively to keep APU in compliance with the myriad of rules and regulations.

J. Lehman then discussed the Wholesale Energy Risk Management (ERM) Program's Quarterly Compliance report. She mentioned that the ERM program helps ensure that wholesale energy-related transactions are conducted in a timely manner while ensuring that APU's interests are protected and risks are minimized. J. Lehman noted that all transactions were within the Authorized Transaction Limits during this period.

11. ITEM(S) BY SECRETARY.

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

- Financial Overview Presentation and Proposed FY21 Budget
- Update on Groundwater Treatment Activities
- On-Call Hazardous Waste Management Services

D. Lee requested that the meeting be closed in the memory of two former APU employees, Armando Rivera who passed away on March 11, 2020 and Virginia "Ginger" Turner who passed away on March 21, 2020.

12. ITEM(S) BY BOARD MEMBERS.

J. Showalter mentioned her husband is on the Budget committee for Anaheim and that due to this Coronavirus pandemic, modifications are being made to the city's budget.

V. Baroldi thanked staff for continuing to come into work during this difficult time to keep Anaheim's utilities services flowing.

J. Seymour indicated that there has not been a great surge of COVID-19 impacted patients at Anaheim Regional Medical Center.

E. Medrano thanked APU staff for their hard work and stepping up during this time.

13. ADJOURNMENT: (NEXT REGULAR MEETING ON MAY 27, 2020 AT 5:00 P.M. PLEASE BE ADVISED THAT BOARD MEMBERS WILL PARTICIPATE IN THIS MEETING TELEPHONICALLY.)

E. Medrano called for a minute of silence, followed by a call for a motion to adjourn the meeting in memory of Armando Rivera and Virginia “Ginger” Turner.

Vice Chairperson J. Seymour moved to adjourn the Regular Meeting in memory of Armando Rivera and Virginia “Ginger” Turner at 6:47 p.m. to the Board’s Regular Meeting date of May 27, 2020 at 5:00 p.m. in the 11th Floor Large Conference Room of Anaheim West Tower. V. Baroldi seconded the motion.

**MOTION VIA ROLL
CALL VOTE CARRIED:
7-0.
ABSTAINED: 0.
ABSENT: 0.**

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.