

**CITY OF ANAHEIM
PUBLIC UTILITIES BOARD**

MINUTES

JUNE 26, 2019

The agenda having been posted on Thursday, June 20, 2019, the Regular Meeting of the Public Utilities Board (Board) was called to order by Chairperson E. Medrano at 5:00 p.m. on Wednesday, June 26, 2019, 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, R. Gaona, V. Baroldi, A. Abdulrahman

Board Members Absent: None

City Staff Present: D. Lee, B. Beelner, G. Bowen, M. Moore, J. Lonneker, J. Lehman, D. Albaugh, A. Kott, D. Ballin, L. Quiambao, P. Oviedo, M. Seifen, S. Smith, L. Estrada, J. Sanks, V. Tran, M. Walker, S. Marsh, A. Markis, A. Kanzler

Guest(s) Present: Milene Ly, Scholarship Recipient; Marine Ly, Parent; Brett Schumm, Teacher; Bryan Chavolla, Solar Cup Boat Race Participant; Amy Chavolla, Parent; Nestor Cuellar, Solar Cup Boat Race Participant; Nestor Hernandez and Maria Cuellar, Parents; Johan Garrido, Solar Cup Boat Race Participant; Jorge Garrido and Susana Avalos, Parents; Ricardo Martinez, Solar Cup Boat Race Participant; Ricardo Martinez and Mireya Gonzalez, Parents; Esteban Rodriguez, Solar Cup Boat Race Participant; Juan Rodriguez and Teresa Rizo, Parents

AGENDA ITEM

ACTION TAKEN

1. RECOGNITION: ANAHEIM HIGH SCHOOL SOLAR CUP BOAT RACE PARTICIPANTS.

M. Moore, Assistant General Manager – Water Services, recognized Bryan Chavolla, Nestor Cuellar, Johan Garrido, Ricardo Martinez, and Esteban Rodriguez for their participation in the Metropolitan Water District of Southern California (MWD) Solar Cup Boat Race (Solar Cup). Additionally, Brett Schumm, Anaheim High School teacher and MWD Solar Cup advisor, was recognized for his efforts in assisting students prepare for the MWD Solar Cup.

2. RECOGNITION: ANAHEIM PUBLIC UTILITIES STUDENT SCHOLARSHIP AWARD RECIPIENTS.

The Board recognized Milene Ly as a recipient of the 2019 Anaheim Public Utilities High School Scholarship. Ms. Ly is a graduate of Canyon High School and will be attending UC Santa Barbara to focus on environmental studies. William Perez was also awarded a scholarship. Mr. Perez is a graduate of Katella High School and will be attending Dartmouth University to study chemical engineering; however, Mr. Perez was unable to attend the Board meeting.

3. PUBLIC COMMENTS.

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

4. APPROVAL OF THE MINUTES OF THE PUBLIC UTILITIES BOARD REGULAR MEETING OF MAY 22, 2019. *

J. Seymour moved approval of the Minutes of the Public Utilities Board Regular Meeting of May 22, 2019. V. Baroldi seconded the motion.

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

5. PUBLIC HEARING: RECEIVE AND RESPOND TO PUBLIC COMMENTS ON THE 2019 PUBLIC HEALTH GOALS REPORT.

J. Lehman, Chief Risk Officer, shared a copy of the Public Utilities Department (Department) Public Health Goals (PHG) Report. J. Lehman shared that the PHG Report is available on the Department's web site, and is available at the Water Engineering front counter located on the 6th floor of Anaheim West Tower, 201 South Anaheim Boulevard, Anaheim, California. A notice was placed in the Anaheim Bulletin on June 13, 2019 informing the public of the hearing date. J. Lehman indicated that the City Clerk's Office and the Department received no phone calls or correspondence from the public concerning the Report.

J. Sanks, Environmental Services Manager, then gave a presentation explaining the PHG Report. J. Sanks defined PHGs and how they are different than maximum contaminant levels, and described that California water producers must compare water quality data to public health goals every three years. He explained that Anaheim water quality did not exceed maximum contaminant levels that establish drinking water standards.

If a compound is found above a PHG, the water producer must prepare a report and hold a public hearing, but no other action is required. J. Sanks described how public health goals are developed, and discussed that the Department achieved public health goals for 81 out of 87 compounds. He indicated that all but four compounds above the PHGs were naturally occurring. The exceptions were bromate, which is a disinfection byproduct, and trichloroethylene, which is a common degreaser. J. Sanks explained that it is common for all these substances to be found above PHGs throughout California. Department staff will continue to monitor water quality to ensure compliance with all regulations and drinking water standards.

The Board gave an opportunity for public comments related to this agenda item. No members of the public attended the public hearing to provide comments. The Board asked if the Department staff had received inquiries about fluoridating water. Staff responded that there have not been any recent inquiries, and while fluoride is naturally present, the Department does not add fluoride to the water. The Board also asked where the levels are set for a PHG. Staff explained that these levels vary based on the nature of the chemical, and all 87 chemicals have a different level. The Board then received and filed the 2019 PHG Report and closed the public hearing.

6. PRESENTATION: 2019 POWER SUPPLY SUMMER OUTLOOK.

S. Smith, Integrated Resources Manager, provided the Board with an annual update for the Department's Power Supply Summer Outlook. S. Smith discussed the California Independent System Operator (CAISO) and the Department's assessment of summer peak loads in the state and in Anaheim. S. Smith also provided an update on available resources, as well as wildfire risk, and mitigation planning should there be an issue meeting electrical load in the area. S. Smith indicated that overall the CAISO and the Department have enough generation resources to meet the forecast peak electrical loads. However, should there be high electrical loads, the Department is prepared and has procedures in place for mitigation, should the need occur.

The Board asked about the gas storage capability and reasons behind it. Staff explained that SoCal Gas continues testing the gas storage facility, capping any wells with issues, and proceeding cautiously.

7. RECOMMEND APPROVAL OF THE PROPOSED FIVE-YEAR UNDERGROUND CONVERSION PLAN FOR FISCAL YEAR 2019/2020. *

V. Tran, Senior Electrical Engineer, presented the proposed Five-Year Underground Conversion Plan for Fiscal Year 2019/2020 (Plan) to the Board for consideration. V. Tran provided background information about the Plan, the process to add a new project to the Plan, and the status of projects that are completed and currently in progress. V. Tran concluded the presentation by summarizing that the proposed Plan includes adding Eucalyptus Drive, which is adjacent to high fire threat zones, and thanked members of the Underground Subcommittee for their recommendation of the new project to help improve resiliency and mitigate wildfire risks in Anaheim.

A. Abdulrahman moved approval to recommend the proposed Five-Year Underground Conversion Plan for Fiscal Year 2019/2020. R. Bhalla seconded the motion.

MOTION CARRIED: 7-0.

ABSTAINED: 0.

ABSENT: 0.

8. UPDATE ON WATER QUALITY AND NOTIFICATION OF EMERGING CONTAMINANTS.

M. Moore provided an update on the water quality indicating that the State of California issued an order to perform water quality testing for emerging contaminants called Per- and Polyfluoroalkyl Substances (PFAS). The Department performed the required testing and issued a notice of the results to the City Council, the Public Utilities Board, and the governing bodies of neighboring jurisdictions that receive City water on June 14, 2019. Two of Anaheim's wells were above the recommended level for PFAS compounds and were taken out of service. Subsequently, the State of California informed water agencies they might be issuing a revised order for PFAS with a much lower recommended limit. M. Moore indicated that the proposed limit would greatly impact the Department's groundwater wells by shutting down additional wells, which would likely impact customer rates due to a greater reliance on higher cost imported water. The Department is continuing to collaborate with regional partners and will keep the Board informed when the revised order is released from the State of California.

The Board asked a series of questions related to water supplies, testing procedures, and ability to utilize more recycled water. Staff responded and explained that recycled water is not allowed to be directly supplied to customers as drinking water and is used primarily to recharge the groundwater basin.

9. UPDATE ON ELECTRIC SYSTEM ISSUES.

J. Lonneker, Assistant General Manager – Electric Services, shared photographs of work being performed by a Southern California Edison (SCE) contractor to raise the height of several transmission towers located within their easement near Katella Avenue and Claudina Street. The purpose was to raise the SCE towers, which

support 220 kiloVolt (kV) high voltage transmission lines to create more clearance between the Department's 69kV electric distribution lines that pass underneath. SCE determined these towers needed to be raised up to 10 feet in order to meet mandatory clearance requirements between high voltage electric lines. The contractor developed the method for using what is similar to a car-jack placed mid-way on the tower to raise the top section of the tower without the need to replace the entire tower. This work is performed while the lines are energized.

J. Lonneker made the Board aware of preparations being made by both Water and Electric Divisions for the upcoming Fourth of July holiday. She indicated that crews were available on-site and additional troubleshooting and operator staffing were available on standby.

10. UPDATE ON WATER SYSTEM ISSUES.

M. Moore reviewed the water supply dashboard, he indicated that the imported water reservoir levels are near full. M. Moore mentioned the MWD is considering implementing their in-lieu program this summer to store imported water in the Orange County groundwater basin.

M. Moore made the Board aware of two open houses hosted by the Department that allowed customers to visit the water facilities. M. Moore noted the first open house was on May 18, 2019 in the downtown area near City Hall. He mentioned that this open house included visiting a groundwater well site. The second open house was held at the Walnut Canyon Reservoir on June 8, 2019. Both open houses received positive comments from customers.

11. UPDATE ON FINANCE ISSUES.

B. Beelner, Assistant General Manager - Finance and Administration, discussed the Department's Call Center summer readiness. B. Beelner mentioned that during the summer months call volume typically increases from 1,000 calls per day to upwards of 2,000 calls per day. In order to accommodate this increase in calls, the Department's strategy is to hire temporary employees to help manage the temporary high call volume. B. Beelner mentioned that historically those hired for temporary employment usually end up being hired for part time and/or full time positions in the Call Center.

B. Beelner also discussed the monthly dashboard with the Board indicating that the year to date electric revenue through May 31, 2019 was 7.4% higher than budget (\$28.8M) with costs also coming in above budget by 3.1% (\$11.2 M) causing a year to date net positive budget variance of \$17.6M. B. Beelner pointed out that the Department allocated the \$30 million budget amendment

recommended by the Board and approved by City Council to June. He then mentioned that year to date water revenue was 4.9% (\$3.7M) below budget due to weaker than anticipated customer demand as a result of the wetter than normal winter in Anaheim, costs were below budget as well by 13.8% (\$9.4M) causing a positive net \$5.7M budget variance.

12. UPDATE ON POWER SUPPLY ISSUES.

G. Bowen, Assistant General Manager – Power Supply, provided the Board an update on the Department’s Power Supply Portfolio for the month of May. G. Bowen pointed out that with Kraemer Plant still out of service and with lower energy prices as a result of run-off from the winter snow deposits, the Department’s gas facilities saw reduced dispatches in the market from the previous month.

G. Bowen updated the Board on the enhancements to the Department’s Dusk-to-Dawn lighting program. He provided the Board with illustrations of the new types of lights included in the program and some of the key changes in the program, which included the retail buy-down program and the rebates available to customers who wanted to purchase their own lights to match their décor. He indicated that the enhancements were designed to provide more options for Department’s customers. G. Bowen also spoke about an elderly Anaheim resident who recently participated in the enhanced Dusk-to-Dawn program and how the new lighting helped the resident place additional security lights around her home at no cost since she is income qualified and received installation services from the Department’s contractor.

Lastly, G. Bowen shared with the Board that the Department received 7-entries from five school districts for the Sustainable Schools Award Program. G. Bowen requested that there be a three Board Member review panel to participate in the evaluation and selection process. He stated that the winning schools will receive the award recognition and laptops in Fall. Chairperson E. Medrano, R. Bhalla, and R. Gaona agreed to participate in the review panel.

13. UPDATE ON ENTERPRISE RISK AND COMPLIANCE.

J. Lehman discussed the Wholesale Energy Risk Management (ERM) Program’s Quarterly Compliance report with the Board. She indicated that the ERM program helps ensure that wholesale energy-related transactions are conducted in a timely manner while ensuring that the Department’s interests are protected and risks are minimized. J. Lehman mentioned that all transactions were within the authorized transaction limits during this period.

She then shared that the 2019 legislative year was getting close to the finish line and that the Legislature will be on recess from mid-July to mid-August returning with about a month to pass any bills by September 13th. J. Lehman shared that the PUB Legislative working group met prior to the Board meeting and reviewed some of the key bills that have the potential to impact the Department. She then thanked the Legislative working group for their time and effort for their feedback during the legislative session.

J. Lehman also shared that the Department held its Safety Fair on June 13th, which emphasized the Department's commitment to safety providing demonstrations and exhibits of safety-related equipment. The event was well attended and included Public Works employees as well as safety staff from other utilities. J. Lehman thanked safety services staff Arlene Quintero and Carlos Paiz for their efforts in planning and running the Safety Fair.

Lastly, J. Lehman invited the Board to save the date for the Department's annual Emergency Response Planning Exercise, which will be held on Wednesday, August 28, 2019.

The Board will be invited to attend the Emergency Response Planning Exercise that is scheduled for Wednesday, August 28, 2019.

14. ITEM(S) BY SECRETARY.

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

- Election of PUB Chair and Vice Chair
- Utility Write-Offs
- Energy and Water Efficiency Agreements
- Presentation on Leadership Development

D. Lee shared that the Department received the American Public Power Association's Community Services Award for its efforts with helping to construct a temporary homeless shelter. He shared photographs of the Department's inaugural OC Green Expo event that was attended by approximately 600 residents. The event featured Electric Vehicle test drives, a solar car student competition, and 50 vendor booths that provided information on sustainability.

D. Lee requested that the meeting be closed in the memory of the victims that lost their lives in the Virginia Beach shooting who were fellow Public Utilities and Public Works employees.

15. ITEM(S) BY BOARD MEMBERS.

V. Baroldi thanked staff for their quick response time when he reported a mylar balloon stuck on a light pole in his neighborhood.

J. Seymour shared he was invited to speak at the Anaheim Hills Women's Ebell Club regarding his role with the Public Utilities Board. He indicated that his presentation was well received.

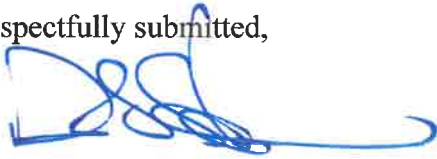
16. ADJOURNMENT: (NEXT REGULAR MEETING ON JULY 24, 2019, AT 5:00 P.M., IN THE 11TH FLOOR LARGE CONFERENCE ROOM, ANAHEIM WEST TOWER, 201 S. ANAHEIM BOULEVARD, ANAHEIM, CALIFORNIA).

E. Medrano called for a minute of silence, followed by a call for a motion to adjourn in memory of the Virginia Beach Shooting victims.

J. Seymour moved approval to adjourn the Regular Meeting in Memory of the Virginia Beach Shooting victims at 6:50 p.m., to the Board's Regular Meeting date of July 24, 2019 at 5:00 p.m. A. Abdulrahman seconded the motion.

**MOTION 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.