

**CITY OF ANAHEIM
PUBLIC UTILITIES BOARD**

MINUTES

JULY 24, 2019

The agenda having been posted on Friday, July 19, 2019, the Regular Meeting of the Public Utilities Board (Board) was called to order by Vice-Chairperson J. Seymour at 5:00 p.m. on Wednesday, July 24, 2019, in the 11th Floor Large Conference Room, Anaheim West Tower, 201 S. Anaheim Blvd., Anaheim, California.

Board Members Present: Vice-Chairperson J. Seymour, R. Bhalla, J. Showalter, V. Baroldi

Board Members Absent: Chairperson E. Medrano, R. Gaona, A. Abdulrahman

City Staff Present: D. Lee, B. Beelner, G. Bowen, M. Moore, J. Lonneker, J. Lehman, D. Albaugh, A. Kott, L. Quiambao, P. Oviedo, M. Seifen, L. Estrada, F. Barvarz, M. Walker, R. King, A. Markis,

Guest(s) Present: None.

AGENDA ITEM

ACTION TAKEN

1. PUBLIC COMMENTS.

There being no public comments, Vice-Chairperson J. Seymour closed the public comments portion of the meeting.

2. ELECTIONS FOR PUBLIC UTILITIES BOARD CHAIRPERSON AND VICE-CHAIRPERSON. **

This item was continued at the General Manager's request to the August 28, 2019 meeting to allow for more Board members to be present.

3. APPROVAL OF THE MINUTES OF THE PUBLIC UTILITIES BOARD REGULAR MEETING OF JUNE 26, 2019. *

V. Baroldi moved approval of the Minutes of the Public Utilities Board Regular Meeting of June 26, 2019. R. Bhalla seconded the motion.
**MOTION CARRIED: 4-0.
ABSTAINED: 0.
ABSENT: 3 [E. Medrano, R. Gaona, A. Abdulrahman].**

4. APPROVAL AND AUTHORIZATION OF THE FISCAL YEAR 2018/19 NET WRITE-OFF OF UNCOLLECTIBLE UTILITY ACCOUNTS. *

B. Beelner, Assistant General Manager - Finance and Administration, requested the Board approve and authorize the Public Utilities Department (Department) to write-off \$866,859 in net uncollectible accounts for the prior fiscal year. The amount represents 0.20% of total revenue, which is less than the industry average of 0.33%. The Department offers a variety of programs and services to help customers with ways to lower their bills or receive assistance.

V. Baroldi moved approval of the Authorization of the Fiscal Year 2018/19 Net Write-Off of Uncollectible Utility Accounts. J. Showalter seconded the motion.

MOTION CARRIED: 4-0.
ABSTAINED: 0.
ABSENT: 3 [E. Medrano, R. Gaona, A. Abdulrahman].

5. UPDATE ON FINANCE ISSUES.

B. Beelner, Assistant General Manager - Finance and Administration, shared with the Board that the Department will seek the Board's recommendation that the City Council approve resolutions for the intent to reimburse the Department for certain water and electric capital expenditures at the September Board meeting. B. Beelner discussed how these resolutions would allow the Department to reimburse itself for current capital expenditures from future bond issuances. B. Beelner noted that these resolutions would not authorize the Department to issue any bonds; however, the IRS mandates the Department acquire approval of an intent to reimburse resolution prior to any bond issuance if the Department wishes to reimburse itself for current capital costs from a future bond.

B. Beelner then discussed the monthly dashboard with the Board. He indicated that the year to date electric revenue through June 30, 2019 was 6.3% higher than budget (\$26.7M) due to wholesale revenue that was 66% higher than anticipated as a result of higher than expected of wholesale energy prices. Costs for the fiscal year fell below budget by 6.0% (\$25.4 M) due to a \$30 million mid-year budget amendment recommended by the Board at the April Board meeting and approved by the City Council on May 14, 2019 to cover higher than anticipated power supply costs. B. Beelner then mentioned that year to date water revenue was 4.9% (\$4.1M) 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 11.5% (\$8.5M) causing a positive net \$4.4M budget variance.

6. PRESENTATION: WIRELESS SERVICE IMPROVEMENTS IN ANAHEIM.

F. Barvarz, Transmission and Distribution Manager, provided a presentation on the planned wireless service improvements that are occurring in City of Anaheim (Anaheim) by private telecommunication companies. He explained the considerations

for placing these wireless facilities on street light poles and the regulatory and technical issues involved, noting that federal and state regulations allow such installations within the public Right of Way (ROW). F. Barvarz added that the goal is to maintain consistency of approval process and installations for these wireless sites across all carriers and throughout Anaheim, without negatively impacting public safety or roadway aesthetics.

7. PRESENTATION: UTILITIES LEADERSHIP DEVELOPMENT OVERVIEW.

D. Albaugh, Administrative Services Manager, provided a brief overview of leadership development initiatives in the Department from 2017-2019, and discussed the Department's approach to internal development and succession planning. He noted that the Department has approximately 40% of its workforce at or within 5 years of retirement eligibility, and training of staff has been emphasized to help prepare current employees for future promotional opportunities. Most recently, new supervisors and managers participated in an 8-session series led by Department managers covering topics such as workplace dynamics, conflict management, productive communications, delegation, and accountability and goal setting.

8. APPROVAL OF AN AGREEMENT FOR ENERGY AND WATER EFFICIENCY SERVICES WITH EAGLE SYSTEMS INTERNATIONAL, INC. (DBA SYNERGY COMPANIES) FOR A TERM OF THREE YEARS WITH UP TO THREE ONE-YEAR EXTENSIONS IN AN ANNUAL AMOUNT OF \$1,098,525.50 WITH A TEN PERCENT (10%) CONTINGENCY FOR EXTRA SERVICES, IF NEEDED, AND ANY AUTHORIZED CONSUMER PRICE INDEX INCREASES IN AN AMOUNT NOT TO EXCEED FIVE PERCENT (5%) DURING THE TERM EXTENSIONS; AND THREE SEPARATE AGREEMENTS FOR ENERGY AND WATER EFFICIENCY PRODUCTS EACH FOR A TERM OF THREE YEARS WITH UP TO THREE ONE-YEAR EXTENSIONS, INCLUDING A TEN PERCENT (10%) CONTINGENCY FOR AS-NEEDED EXTRA PRODUCTS PER AGREEMENT WITH 1) AMERICAN ELECTRIC SUPPLY INC. IN AN AMOUNT NOT TO EXCEED \$145,775 ANNUALLY, 2) GREENLITE LIGHTING CORPORATION USA IN AN AMOUNT NOT TO EXCEED \$675,499 ANNUALLY, AND 3) AM CONSERVATION GROUP, INC. IN AN AMOUNT NOT TO EXCEED \$7,255.00 ANNUALLY. *

J. Showalter moved approval of the four Agreements for energy and water efficiency products and services. R. Bhalla seconded the motion. **MOTION CARRIED: 4-0. ABSTAINED: 0. ABSENT: 3 [E. Medrano, R. Gaona, A. Abdulrahman].**

G. Bowen, Assistant General Manager – Power Supply, provided the Board with an overview of the four Agreements for energy and water efficiency services and products. G. Bowen described that the Department offers a wide variety of programs and services to residential and commercial customers to promote energy and

water efficiency, conservation and sustainability. G. Bowen indicated that in order to assist in providing these programs and services, the Department utilizes companies with expertise in implementing efficiency programs. With the assistance of these companies, last Fiscal Year the Department installed over 30,000 efficiency measures totaling 26 million kilowatt hours of energy savings and over 17 million gallons of water for its customers.

G. Bowen shared with the Board that in April of 2019, the Department issued two Requests for Proposals (RFP). One for contractors to administer and provide energy and water efficiency services and the second for the energy and water efficiency products themselves.

The Department is recommending Eagle Systems International (dba Synergy Companies) to provide energy and water efficiency services including the Home Utility Checkup and Dusk to Dawn programs. To supply the products to implement those programs and to deliver welcome kits and provide an LED light bulb buydown program for local retailers, the Department is recommending three separate companies, American Electric Supply Inc., Greenlite Lighting, and AM Conservation Group.

The Board asked about the cost benefits of efficiency programs, and staff responded that these conservation measures are required by state mandates, and that efforts are made to implement programs in a cost effective manner.

9. APPROVAL OF THE ENVIRONMENTAL SERVICES AGREEMENT (AGREEMENT) SEPARATELY WITH DUDEK, Ecorp CONSULTING, INC.; HELIX ENVIRONMENTAL PLANNING, INC.; PSOMAS; AND STANTEC CONSULTING SERVICES, INC. WITH A NOT-TO-EXCEED AGREEMENT AMOUNT OF \$150,000 PER CONSULTANT FOR A THREE-YEAR TERM, WITH TWO ONE-YEAR OPTIONAL RENEWALS, FOR AS-NEEDED ENVIRONMENTAL SERVICES AND SUCH OTHER ENVIRONMENTAL SERVICES CONSULTANTS AS THE DEPARTMENT MAY PREQUALIFY DURING THE TERM OF THE AGREEMENT. *

J. Lehman, Chief Risk Officer, requested the Board's approval for five Environmental Services Consulting Agreements. J. Lehman provided background information indicating that the Agreements will allow the Department to provide a wide range of environmental services and will help to ensure that technical expertise and support are available quickly to respond to critical projects. J. Lehman indicated that these resources are necessary to help the Department comply with numerous federal and state environmental laws, regulations, and permits.

V. Baroldi moved approval of the five Agreements for Environmental Services consulting services. R. Bhalla seconded the motion. **MOTION CARRIED: 4-0. ABSTAINED: 0. ABSENT: 3 [E. Medrano, R. Gaona, A. Abdulrahman].**

10. APPROVAL OF A RESOLUTION FOR SUBMISSION OF AN APPLICATION TO THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENT (SCAG) FOR ELECTRIC VEHICLE CHARGING INFRASTRUCTURE PLANNING SERVICES FOR THE 2019 SUSTAINABLE COMMUNITIES PROGRAM AND ACCEPTANCE OF THE GRANT FOR NO COST CONSULTING SERVICES. *

G. Bowen discussed the resolution for the application and future agreement for electric vehicle charging infrastructure consulting services from the Southern California Association of Governments (SCAG) with the Board. G. Bowen indicated to the Board that the grant services provided under the agreement would provide the Department with recommendations on how to address and overcome barriers to electric vehicle adoption in Anaheim. He also indicated that the agreement will provide services at no cost to the Department and that the value of the services being provided was approximately \$87,000. G. Bowen also shared with the Board that the report from the services provided would be made available in fall of 2020.

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

Staff provided a dashboard for the capital expenditures to date, which follows the new format that shows projects by category and by district. The consulting services, contractors, and spot bid purchase summary showed completed expenditures for Fiscal Year 2018/19 in comparison to prior fiscal years.

12. UPDATE ON ELECTRIC SYSTEM ISSUES.

J. Lonneker, Assistant General Manager – Electric Services, shared with the Board of the progress on the installation of the Anaheim wildfire cameras. J. Lonneker shared photos of the two sites where the cameras were installed, and indicated to the Board that work continues on installation of communications equipment to transmit the data and integrate with the ALERT wildfire network.

13. UPDATE ON WATER SYSTEM ISSUES.

M. Moore, Assistant General Manager – Water Services, provided an update on the Department’s water supply. M. Moore indicated that local and imported water storage levels are increasing as snowmelt continues to fill reservoirs. He mentioned that the Metropolitan Water District (MWD) has historic highs this year for placing water in storage. M. Moore noted that the Department is planning to participate in MWD’s in-lieu program this year to add more imported water to the local groundwater basin.

J. Showalter moved approval of a Resolution for Submission of an application to the Southern California Association of Government for electric vehicle charging infrastructure planning services. V. Baroldi seconded the motion. **MOTION CARRIED: 4-0. ABSTAINED: 0. ABSENT: 3 [E. Medrano, R. Gaona, A. Abdulrahman].**

M. Moore then mentioned that the Department is awaiting a revised order from the State of California with a lower Per- and polyfluoroalkyl substances (PFAS) notification level. The order is anticipated to come in two separate parts. The first part in August will lower the PFAS notification levels and the second part in October will lower the response level in which the Department must take action. The Department will fully comply with water quality standards issued by the state.

Lastly, M. Moore indicated that the construction at the Lenain Water Treatment Plant is still in progress. He indicated that the adjacent Walnut Canyon Reservoir is about half full and the filling of the Reservoir has stopped for the contractor to make some repairs to the valves. M. Moore noted that the Reservoir is expected to be full by the end of the calendar year.

14. UPDATE ON POWER SUPPLY ISSUES.

G. Bowen provided the Board with an update on the Department's Power Supply Portfolio, noting that the Department continues to see historic low loads throughout Anaheim driven by a number of factors including cooler weather in Southern California and the proliferation of solar in the city. G. Bowen also indicated that the Kraemer facility remains unavailable for operation while options are being considered for its future.

Next, G. Bowen made the Board aware that customers now have the option of signing up for text notifications regarding their utility bill. He explained how the customer can sign up, and provided a few samples of the information the text messages would convey, such as messages that the customer bill is ready for viewing, a courtesy reminder that the bill is past due, and the option to opt out of receiving messages.

Lastly, G. Bowen discussed a 2019 J. D. Power survey which placed the Department as one of the top mid-sized utilities in the nation, and the highest of those rated in California, providing a high level of residential customer satisfaction and community involvement.

15. UPDATE ON ENTERPRISE RISK AND COMPLIANCE.

J. Lehman invited the Board's attention to the Internal Compliance Report and noted that the Department remained in compliance with over 70 different utility legal/regulatory issues that are tracked by staff.

J. Lehman then provided the Board with a brief legislative update, highlighting that the first year of a two year legislative session is starting to wind down. J. Lehman indicated that it was overall a

successful year with the legislative proposal for a water tax to help struggling water agencies being replaced with new law that uses Greenhouse Gas Allowance funds and State General Fund dollars instead, and the “delay” of the multi-million dollar water storage mandate bill. She mentioned there were still several other bills that were concerning that the Department was working to address; however, when the Legislature comes back into session August 12th the bills will have only about a month to pass. With the passage of AB 1054, the massive wildfire bill that carries many of the Governor’s issues, there is a low likelihood that the Legislature will go into special session.

Lastly, she reminded the Board that the Department’s annual Emergency Response Plan exercise will be on August 28th, the morning of the scheduled Board meeting, and Board members are invited to attend.

16. ITEM(S) BY SECRETARY.

D. Lee shared that the Department participated in the annual 4th of July event at Peralta Park, with field staff offering bucket truck rides to residents. He also informed the Board that the first of a series of pop-up events highlighting income qualified programs were being conducted. The first event was at Solara Apartments for seniors in Council District 1.

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

- A public hearing for the formation of two underground districts will be held in the Gordon Hoyt conference room
- Intent to reimburse from future bond proceeds
- Utilities Success Indicators update
- Work Order Management System consultant
- Pre-Qualified water consultant and construction firms for small projects and immediate response

Lastly, D. Lee shared and discussed the Department’s new organizational chart.

17. ITEM(S) BY BOARD MEMBERS.

J. Showalter indicated that with recent utility companies in the news she was thankful for the Department.

J. Seymour stated he will be attending the Emergency Preparedness Exercise and thanked staff for the reminder.

18. ADJOURNMENT: (NEXT PUBLIC HEARING/REGULAR MEETING ON AUGUST 28, 2019, AT 5:00 P.M., IN THE 2ND FLOOR GORDON HOYT CONFERENCE CENTER, ANAHEIM WEST TOWER, 201 S. ANAHEIM BOULEVARD, ANAHEIM, CALIFORNIA).

V. Baroldi moved approval to adjourn the Regular Meeting at 7:15 p.m., to the Board's Public Hearing/Regular Meeting date of August 28, 2019 at 5:00 p.m. J. Showalter seconded the motion.

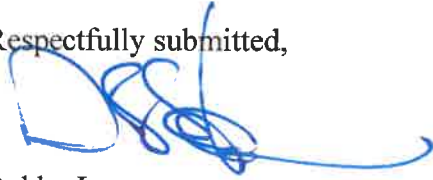
MOTION CARRIED: 4-0.

ABSTAINED: 0.

ABSENT: 3 [E. Medrano, R. Gaona, A.

Abdulrahman].

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.