

**CITY OF ANAHEIM
PUBLIC UTILITIES BOARD**

MINUTES

FEBRUARY 27, 2019

The agenda having been posted on Wednesday, February 20, 2019, the Regular Meeting of the Public Utilities Board (Board) was called to order by Chairperson E. Medrano at 5:01 p.m. on Wednesday, February 27, 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, A. Abdulrahman, R. Nelson, J. Showalter, V. Ramirez, V. Baroldi

Board Members Absent: None

City Staff Present: D. Lee, L. Quiambao, M. Moore, B. Beelner, A. Kott, G. Bowen, J. Lehman, A. Muniz, J. Lonneker, M. Seifen, R. Yong, T. Mai, F. Barvarz, C. Parker, J. Elizalde, D. Hoang, E. Ramirez, M. Avelino, D. Albaugh

Guest(s) Present: John Baca, Assistant Business Manager – IBEW Local 47; Stan Stosel, Senior Assistant Business Manager – IBEW Local 47; Doug Mangione, Political Director and Business Representative – IBEW Local 441; Trent Ueunten, IBEW Local 441; Paris Patterson-Garner, CORO Fellow; and Katie Bolton, CORO Fellow

AGENDA ITEM

ACTION TAKEN

1. PUBLIC COMMENTS.

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

2. APPROVAL OF THE MINUTES OF THE PUBLIC UTILITIES BOARD MEETING OF JANUARY 23, 2019. *

J. Seymour moved approval of the Minutes of the Public Utilities Board Meeting of January 23, 2019. A. Abdulrahman seconded the motion.
MOTION CARRIED: 7-0.
ABSTAINED: 0.
ABSENT: 0.

3. PRESENTATION: MODERNIZING ELECTRIC DISTRIBUTION SWITCHES.

R. Yong, Senior Electrical Engineer, gave a presentation about the new Solid Dielectric Switches that the Public Utilities Department (Department) is installing. R. Yong explained the function of a switch by providing a brief analogy between the light switch found in homes and the Department's utility switch, and described the load isolation capability and the operational flexibility of the utility switch. R. Yong proceeded to describe existing oil and SF6 gas switches that are most commonly found in the Department's distribution system and provided an overview of the new solid dielectric switch that are currently being installed. R. Yong also provided a brief comparison among the three types of switches, their respective costs, and a summary of the deployment plans where he indicated that to date, twenty-one solid dielectric switches have been installed.

The Board asked at what point will the cost of the solid dielectric switches level out or decrease in cost. R. Yong responded that as more utilities begin to install the new switches, the cost would gradually decrease.

The Board inquired about the reliability of the solid dielectric switches. D. Lee responded that unlike gas or oil switches that are known to leak and render the switch inoperable, solid dielectric switches do not have those issues, therefore are expected to be more reliable.

Lastly, the Board inquired about whether there is a mandate to phase out switches with SF6 gas. D. Lee responded that SF6 gas will very likely be phased out similar to previous types of air conditioning refrigerants.

4. RECOMMEND APPROVAL OF A CONTRACT, WHICH IS IN SUBSTANTIALLY FINAL FORM, THE FINAL FORM OF WHICH SHALL BE CONCLUSIVELY EVIDENCED BY THE EXECUTION AND DELIVERY THEREOF BETWEEN THE CITY OF ANAHEIM (CITY) AND CSU FULLERTON AUXILIARY SERVICES CORPORATION, AS FISCAL AND ADMINISTRATIVE REPRESENTATIVE FOR CALIFORNIA STATE UNIVERSITY, FULLERTON (CSUF) FOR THE COORDINATION, DEVELOPMENT, IMPLEMENTATION, AND ADMINISTRATION OF A SUMMER COLLEGE INTERNSHIP PROGRAM AT THE CITY FOR A ONE-YEAR PERIOD, WITH UP TO FOUR ONE-YEAR EXTENSIONS, IN AN ANNUAL AMOUNT OF \$76,621, PLUS A TEN PERCENT ANNUAL CONTINGENCY. *

V. Baroldi recommended approval of the contract, which is in substantial final form, for the implementation and administration of a summer College Internship Program with California State University Fullerton. R. Nelson seconded the motion.
MOTION CARRIED: 7-0.
ABSTAINED: 0.
ABSENT: 0.

M. Avelino, Utilities Analyst, indicated the CSUF Internship Agreement is an extension of student engagement programs offered by the Department, and would create an opportunity for local students attending CSUF to gain professional experience. M. Avelino mentioned the students would intern with the Department during the months of June-August and will be compensated at \$20 per hour. Furthermore, M. Avelino noted that the students would be selected based on their majors that provide opportunities to learn from professionals in the fields of civil and electrical engineering, environmental science, and business.

The Board asked if the interns were going to work for the City or just in the Department and what grade of students were being considered. Staff indicated this program is between the Department and CSUF and the grades considered are undergrad sophomores to juniors.

5. SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY EXPENDITURES ANNUAL UPDATE (FY 2017/18).

G. Bowen, Assistant General Manager – Power Supply, provided an update on the Southern California Public Power Authority (SCPPA) expenditures for Fiscal Year (FY) 2017/18 to the Board. G. Bowen explained that SCPPA expenditures are grouped into five key areas: generation, transmission, fuel, renewable projects, and joint utility programs. G. Bowen indicated that for FY 2017/18 expenditures were on target with actual costs totaling \$83 million versus the budgeted amount of \$84 million.

6. RECOGNITION: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW) MINORITY CAUCUS MEMBERS FROM LOCAL 47 AND LOCAL 441 FOR THEIR COMMUNITY VOLUNTEERING EFFORTS.

Chairperson E. Medrano and the Board recognized Department employees D. Hoang, E. Ramirez, and J. Elizalde along with D. Mangione and T. Ueunten who are members of IBEW Local 441 for their volunteering efforts in the Anaheim community as part of the IBEW Minority Caucus.

7. PRESENTATION: SALVATION ARMY TEMPORARY HOMELESS SHELTER UPDATE.

D. Lee, Public Utilities General Manager, gave a presentation on the Salvation Army Temporary Homeless Shelter. The emergency shelter was constructed between December and January to help address the homeless population in Anaheim. The shelter is comprised of portable trailers that provide 224 beds, and also includes dining, laundry, bathroom, administration, case management, and storage facilities. The Department's role was to

provide project and construction management, and other departments participated in helping to accelerate approvals to meet the timeline. The shelter was dedicated on January 31.

8. UPDATE ON ELECTRIC SYSTEM ISSUES.

J. Lonneker shared with the Board a voicemail message received from a resident, which expressed positive feedback and acknowledgment of the quality of Department staff regarding an installation of LED streetlight in the resident's neighborhood. The resident indicated that she feels safer coming home late from work now with the additional lighting, and felt it was an enhancement to the aesthetics of the neighborhood.

J. Lonneker presented photographs of a recent tour of the installation of a steel encased conduit duct bank for the underground conversion project currently under construction on Euclid Avenue with Board member J. Seymour. J. Lonneker indicated that the installation included a large bore-pit approximately 25 feet in depth where conduits would pass underneath an existing flood channel.

Additionally, J. Lonneker shared photos of the Harbor Substation currently under construction on Katella Avenue. She invited the Board to tour the substation while equipment is not energized.

9. UPDATE ON WATER SYSTEM ISSUES.

M. Moore, Assistant General Manager – Water Services, provided an update for Water Services. The water supply dashboard was reviewed and showed higher than normal precipitation in southern and northern California. The Colorado River Basin is about average for the year. Storage levels in California are mostly full.

Governor Newsom declared a desire to have a single tunnel for the California Water Fix Project. Metropolitan Water District of Southern California (MWD) had previously made plans to proceed with a two tunnel Project to improve the State Water Project. It is unclear how the Project will proceed at this time.

The City applied for a grant from MWD to study methods to collect revenue for the storm water system. The City was recently notified that the City's grant application was approved and the Public Works Department would administer a study.

The first several schools have installed water bottle fill stations through a rebate program. The Department is providing reimbursement of material and related costs for water bottle fill stations to schools under a pilot program. The Department facilitated an assembly on the City's water system to fourth graders at Jonas Salk Elementary School.

C. Parker, the new Water Engineering Manager, was introduced to the Board.

10. UPDATE ON FINANCE ISSUES.

B. Beelner, Assistant General Manager – Finance and Administration, discussed the monthly dashboards with the Board that indicated that electric revenue for the Fiscal Year to Date January 31, 2019 was 6.8% above budget (\$18.0M) with electric costs coming in above budget as well by 2.0% (\$4.7M) causing a net positive budget variance of \$13.3M. B. Beelner mentioned that electric revenue and costs have both trended higher due to higher than expected wholesale power revenue and wholesale power costs driven by higher natural gas prices. B. Beelner then mentioned that the Year to Date January 31, 2019 water revenue was 1.8% (\$0.9M) below budget, however since water costs were under budget by 8.0% (\$3.4M) the Department experienced a net positive budget variance of \$2.5M.

B. Beelner reminded the Board of the upcoming public hearings for water and electric rate changes scheduled for March 27, 2019 at 5 p.m. would be in the Gordon Hoyt Conference Center on the second floor of Anaheim West Tower. B. Beelner mentioned that, to date, the Department has received nine phone calls and twelve protests regarding the water public hearing out of the approximately 81,000 notices mailed to water customers and property owners.

11. UPDATE ON POWER SUPPLY ISSUES.

G. Bowen provided the Board with an update on the Department's power resources indicating that January's data was similar to that of December with the exception of a transmission outage, which lowered wholesale sales by 17 gigawatt hours for the month. He explained that wholesale prices were beginning to fall back in line with expectations for the coming month.

G. Bowen provided an update to the Board in reference to an article in the Los Angeles Times about Property Accessed Clean Energy (PACE) financing from private lenders that was shared by Board Chairperson E. Medrano. There have been situations where customers were unaware of the impacts to their property assessments from PACE participation. G. Bowen explained that stricter regulations have been implemented for property owners to obtain loans for solar programs, which have caused a reduction in installation of solar and weatherization products for residential customers. G. Bowen shared with the Board that the Department's web page provides customers with objective information regarding PACE programs and encourages customers to utilize the website in order to better understand PACE programs before entering into any

commitment, and that the Department does not endorse any private PACE entity.

G. Bowen made the Board aware that the first set of 9 schools in Solar for Schools Program have had their projects constructed and energized. Final completion of remaining items is expected towards the end of March. He also share with the Board that the Department was recognized by several of the school districts that participated in the program.

G. Bowen then made the Board aware of the Department's Sustainable Schools Award competition, which is designed to encourage conservation and investments in efficiency improvements. The competition would recognize Anaheim schools that have made strides in environmental stewardship at their campuses and in their curriculum. He indicated that a panel of several Board members would be asked to participate in judging the applications and selecting two competition winners. Winning schools will receive awards in September 2019.

Lastly, G. Bowen discussed the winners of the Department's Home Survey Competition. The competition is in conjunction with the Department's educational partnership with Inside the Outdoors and The Energy Coalition that encourages residential customers to reduce energy and water use. G. Bowen explained that from the Home Surveys, over 1,400 customers signed up for Home Utility Check-ups, which are provided by the Department at no cost to the customer. The winning student and teacher each received a \$100 gift card and the winning class received a pizza party courtesy of the Department.

12. UPDATE ON ENTERPRISE RISK AND COMPLIANCE.

J. Lehman, Chief Risk Officer, reported that she and D. Lee met with elected state representatives to brief them on the Department and its customer service model as well as to discuss legislative issues that may affect Anaheim. They discussed the Department's wildfire preparedness, including system hardening, electric service operation mitigations, and ongoing efforts to closely coordinate with water services, police, and fire during emergencies. She indicated that they shared concerns for one-size fits all solutions that could have negative financial or operational consequences. In addition, they also discussed concerns with the proposed statewide water tax on water customers, including the Department's that would steer Anaheim ratepayer funds to help underperforming utilities in other parts of the state. She shared that they discussed some of the alternative solutions to address this issue without taxing all water users in the state.

J. Lehman also reported that this legislative session will once again include a focus on water and electric issues; that over 2,500 bills

have been introduced this session, with about half of them being introduced on Friday, February 22nd. She estimated that between 5%-10% of the bills will likely address either water or electric services.

J. Lehman then shared that the Department participated in a Countywide Emergency Response Exercise on January 30th. She indicated that the exercise was a great opportunity for staff to practice skills at the City's Emergency Operation Center.

13. ITEM(S) BY SECRETARY.

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

- Water and Electric Rate Hearings
- Water Poster Contest Winner Recognition
- An Agreement for Wildfire Cameras
- Water Quality presentation
- Utilities Success Indicators

He shared that appointment of Boards and Commissions is scheduled for the March 5, 2019 Council meeting, and expressed that he would appreciate ongoing appointments by all current members of the Board.

D. Lee provided an update on executive changes in the City. D. Lee also mentioned the upcoming State of the City event.

14. ITEM(S) BY BOARD MEMBERS.

R. Nelson indicated that, due to the upcoming appointment changes in Boards and Commissions, this may be his last meeting. R. Nelson thanked staff for their professionalism and mentioned it has been a pleasure working with D. Lee and the Department.

15. ADJOURNMENT TO THE (PUBLIC HEARING/REGULAR MEETING ON MARCH 27, 2019, AT 5:00 P.M., IN THE GORDON HOYT CONFERENCE CENTER, 2ND FLOOR, ANAHEIM WEST TOWER, 201 S. ANAHEIM BOULEVARD, ANAHEIM, CALIFORNIA).

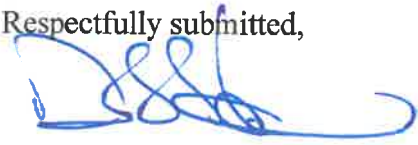
A. Abdulrahman moved approval to adjourn the Regular Meeting at 6:46 p.m., to the Board's Public Hearing/Regular Meeting date on March 27, 2019 at 5:00 p.m. in the Gordon Hoyt Conference Center. J. Seymour seconded the motion.

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.