

**CITY OF ANAHEIM
PUBLIC UTILITIES BOARD**

MINUTES

June 22, 2022

The agenda having been posted on Thursday, June 16, 2022, the Public Hearing/Regular Meeting of the Public Utilities Board (Board) was called to order by Chairperson J. Seymour at 5:00 p.m. on Wednesday, June 22, 2022, in the Gordon Hoyt Conference Center, 2nd floor, Anaheim West Tower, 201 S. Anaheim Blvd., Anaheim, California.

Board Members Present: Chairperson J. Seymour, A. Abdulrahman, N. Campos Kurtz, M. Lee

Board Members Absent: Vice-Chairperson V. Baroldi, R. Bhalla, A. Pham

City Staff Present: D. Lee, P. Starr, A. Kott, B. Beelner, M. Avelino-Walker, M. Moore, J. Lehman, J. Martinez, M. Seifen, J. Sanks, T. Castaneda, A. Kanzler

Guest(s) Present: Cintya Felix, Loara High School; Yosselin De La Cruz, Katella High School; Adam Garay, Canyon High School; Jack Devereux, Esperanza High School; Teresa Wyszomirski, Anaheim Resident; Conrad Wyszomirski, Anaheim Resident; Christine Lee, Vestar; Brooke West, Vestar

AGENDA ITEM

ACTION TAKEN

1. PUBLIC COMMENTS.

There being no electronic or oral public comments, Chairperson J. Seymour closed the public comments portion of the meeting.

2. RECOGNITION: HIGH SCHOOL SCHOLARSHIP RECIPIENTS.

M. Avelino-Walker, General Services Manager, provided an overview of the selection process of the High School Scholarship Recipients. The Board recognized Cintya Felix, Yosselin De La Cruz, Adam Garay, and Jack Devereux, as the winners of the High School Student Scholarship.

3. RECOGNITION: WATERSMART LANDSCAPE AWARD WINNERS.

M. Avelino-Walker, General Services Manager, provided an overview of the recognition and the selection process for the WaterSmart Landscape Award. The Board recognized Anaheim Hills Festival, for the commercial category, and Teresa and Conrad

Wyszomirski, for the residential category, for their drought-tolerant landscape efforts.

4. APPROVAL OF THE MINUTES OF THE PUBLIC UTILITIES BOARD REGULAR MEETING OF MAY 25, 2022.*

N. Campos Kurtz moved the approval of the Minutes of the Public Utilities Board Regular Meeting of May 25, 2022. M. Lee seconded the motion.

**MOTION CARRIED: 4-0.
ABSTAINED: 0.
ABSENT: 3. [V. Baroldi,
R. Bhalla, A. Pham].**

5. PUBLIC HEARING: RECEIVE AND FILE THE ANAHEIM PUBLIC UTILITIES DEPARTMENT'S 2022 PUBLIC HEALTH GOALS REPORT.

Chairperson J. Seymour opened the public hearing, outlined the hearing procedures, and requested a presentation on the item.

J. Lehman, Assistant General Manager – Administration & Risk Services, shared a copy of the Anaheim Public Utilities' (APU) 2022 Public Health Goals (PHG) Report. J. Lehman mentioned that the PHG Report is available on APU's web site, and is available at the Customer Service front counter located on the 1st floor of Anaheim West Tower, 201 South Anaheim Boulevard, Anaheim, California. A notice was placed in the Anaheim Bulletin on June 9, 2022 informing the public of the hearing date. J. Lehman indicated that the City Clerk's Office and APU received no phone calls or correspondence from the public concerning the Public Health Goals Report.

J. Sanks, Environmental & Safety Services Manager, 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.

J. Sanks added that 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 APU achieved public health goals for 80 out of 87 compounds. He indicated that all but three compounds above the PHGs were naturally occurring. The exceptions were bromate, which is a disinfection byproduct, trichloroethylene and perchlorate, which are from industrial sources. J. Sanks explained that it is common for all these

substances to be found above PHGs throughout California. APU staff will continue to monitor water quality to ensure compliance with all regulations and drinking water standards.

Chairperson Seymour offered the opportunity for the public to comment on the issue; however, there were no public comments. The Board then received and filed the 2022 PHG Report and Chairperson Seymour closed the public hearing.

6. RECOMMEND APPROVAL OF THE GENERAL SERVICES AGREEMENTS - WATER ENGINEERING (AGREEMENTS), IN AN AMOUNT NOT TO EXCEED \$400,000 PER WORK ORDER PACKAGE PLUS AUTHORIZATION FOR UP TO 15% IN CONTINGENCIES, WITH A LIMIT PER CONSULTANT OF \$1 MILLION IN TOTAL AWARDS DURING EACH FISCAL YEAR, FOR PROFESSIONAL ENGINEERING AND CONSULTING SERVICES; AUTHORIZE THE PUBLIC UTILITIES GENERAL MANAGER TO EXECUTE THE AGREEMENTS SEPARATELY WITH THE FOLLOWING CONSULTANTS PREQUALIFIED BY THE PUBLIC UTILITIES DEPARTMENT FOR A THREE-YEAR TERM WITH UP TO TWO ONE-YEAR EXTENSIONS AS NEEDED TO COMPLETE ONGOING PROJECTS: AECOM TECHNICAL SERVICES, INC.; AESCO, INC.; ANSER ADVISORY MANAGEMENT, LLC; ARDURRA GROUP INC.; CANNON CORPORATION; DRP ENGINEERING, INC.; GEO-ADVANTEC, INC.; HARRIS & ASSOCIATES, INC.; JIG CONSULTANTS; KOA CORPORATION; LEE + RO, INC.; MICHAEL K. NUNLEY & ASSOCIATES, INC.; NV5, INC.; PACIFIC ADVANCED CIVIL ENGINEERING, INC.; PARIKH CONSULTANTS, INCORPORATED; PSOMAS; SA ASSOCIATES; STANTEC CONSULTING SERVICES INC.; TESCO CONTROLS, LLC; TETRA TECH, INC.; ULTEIG ENGINEERS, INC.; WOOD RODGERS, INC.; YAO ENGINEERING, INC.; AND SUCH OTHER ENGINEERING CONSULTANTS AS THE DEPARTMENT MAY PREQUALIFY DURING THE TERM OF THE AGREEMENTS; AUTHORIZE THE PUBLIC UTILITIES GENERAL MANAGER TO TAKE ALL ACTIONS NECESSARY TO IMPLEMENT AND ADMINISTER THE AGREEMENTS AND ANY OTHER RELATED DOCUMENTS; AND AUTHORIZE DE MINIMIS CHANGES THAT DO NOT SUBSTANTIALLY CHANGE THE TERMS AND CONDITIONS OF THE AGREEMENTS, AS DETERMINED BY THE CITY ATTORNEY.*

A. Abdulrahman moved approval of the General Services Agreements – Water Engineering. N. Campos Kurtz seconded the motion.

MOTION CARRIED: 4-0.

ABSTAINED: 0.

ABSENT: 3. [V. Baroldi, R. Bhalla, A. Pham].

M. Moore, Assistant General Manager – Water Services, provided an overview of the 2022 General Service Agreements (GSA). The GSA include a pre-approved on-call list of vendors to provide

consulting engineering services for various water projects.

M. Moore described the solicitation process, selection process that follows Council Policy 4.1, and quarterly reporting process that provides additional details to the Board and public for review. Twenty-three GSA firms are proposed for approval in five different categories.

The Board inquired about the use of sub-consultants and M. Moore explained that in certain cases where specialty expertise is required, sub-consultants may be retained by the primary consultant.

- 7. RECOMMEND APPROVAL OF THE MASTER AGREEMENT FOR WATER SYSTEM CONSTRUCTION, REPAIR, MAINTENANCE AND IMMEDIATE RESPONSE (AGREEMENT) AND AUTHORIZE THE PUBLIC UTILITIES GENERAL MANAGER, OR DESIGNEE, TO EXECUTE THE AGREEMENT SEPARATELY WITH THE FOLLOWING CONTRACTORS PREQUALIFIED BY THE PUBLIC UTILITIES DEPARTMENT FOR A FIVE-YEAR TERM WITH AN EXTENSION OF UP TO TWELVE (12) MONTHS: ARNAZ ENGINEERING CONTRACTORS, INC.; BIG BEN, INC.; FERREIRA CONSTRUCTION CO., INC.; GENERAL PUMP COMPANY, INC.; J. DE SIGIO CONSTRUCTION, INC.; J.A. SALAZAR CONSTRUCTION AND SUPPLY CORPORATION; J.R. FILANC CONSTRUCTION COMPANY, INC.; MIKE BUBALO CONSTRUCTION, INC.; PAULUS ENGINEERING, INC.; STEPHEN DORECK EQUIPMENT RENTALS, INC.; T.E. ROBERTS, INC.; W.A. RASIC CONSTRUCTION COMPANY, INC.; AND SUCH OTHER CONTRACTORS AS THE DEPARTMENT MAY PREQUALIFY DURING THE TERM OF THE AGREEMENT; APPROVE A NOT-TO-EXCEED AMOUNT OF \$500,000 PER WORK ORDER PACKAGE, PLUS CHANGE ORDER AUTHORIZATION, IN AN AMOUNT NOT TO EXCEED THE GREATER OF \$10,000 OR 10% OF THE ORIGINAL WORK ORDER COST, WITH TOTAL CHANGE ORDERS PER WORK ORDER NOT TO EXCEED \$100,000; AUTHORIZE THE PUBLIC UTILITIES GENERAL MANAGER, OR DESIGNEE, TO TAKE ANY AND ALL ACTIONS AS ARE NECESSARY TO IMPLEMENT AND ADMINISTER THE AGREEMENT; AUTHORIZE DE MINIMIS CHANGES THAT DO NOT SUBSTANTIALLY CHANGE THE TERMS AND CONDITIONS OF THE AGREEMENT, AS DETERMINED BY THE CITY ATTORNEY; AND DETERMINE THAT THE PROJECTS TO BE PERFORMED UNDER THE AGREEMENT SHALL BE CATEGORICALLY EXEMPT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), SECTIONS 15301, 15302, 15303, AND/OR 15304 OF TITLE 14 OF THE CALIFORNIA CODE**

M. Lee moved the approval of the Master Agreement for Water System Construction, Repair, Maintenance and Immediate Response. N. Campos Kurtz seconded the motion.

MOTION CARRIED: 4-0.

ABSTAINED: 0.

ABSENT: 3. [V. Baroldi, R. Bhalla, A. Pham].

OF REGULATIONS.*

M. Moore, Assistant General Manager – Water Services, provided an overview of the 2022 Master Construction Agreement (MCA). The MCA includes a pre-approved on-call list of contractors to provide construction services to supplement internal crews. Contractors are also utilized during emergency situations and for smaller capital improvement projects where City staff does not have the resources or necessary equipment.

M. Moore described some situations where the Master Construction Agreements were utilized in the past and described the process for selection. Twelve contractors were selected to provide construction support for a range of water projects including pipelines, pumps, and electrical and instrumentation installation.

The Board inquired about whether or not there is an annual limit, and staff indicated that the limit per contractor is \$3M. The Board inquired about how design-build awards are related to this MCA, and staff explained that the MCA is for smaller projects less than \$500,000 per award, design-build prequalified firms can perform work up to \$3M per award, and large construction projects, whether a standard bid award or design-build, are awarded through City Council through the Public Works Department.

The Board inquired about how risk is managed, and staff explained the procedures in place through the City's Risk Management Division within the Human Resources Department that addresses insurance, indemnification and related risk services.

8. UPDATE ON ELECTRIC SYSTEM ITEMS.

J. Martinez, Electric Operations Manager, updated the Board on the progress of the Transformer Replacement Program (Program) and shared with the Board that APU has replaced approximately 129 aging transformers, associated poles, and conductors since inception of the Program, which is short of the annual goal due to supply chain delays in obtaining equipment. Additionally, J. Martinez explained that APU is working on improving the customer notification process and is planning on bringing a new Department Order for the Board's consideration in the near future.

9. UPDATE ON WATER SYSTEM ITEMS.

M. Moore, Assistant General Manager – Water Services, reviewed the Water Supply dashboard indicating that the Colorado River basin storage levels are dropping to record low levels. The low State Water Project allocation (5%) will require Southern California to continue to rely mostly on imported water from the Colorado

River Aqueduct. It is likely water shortages will continue next year due to the low storage levels.

Metropolitan Water District (MWD) is planning to host Inspection Tours. APU staff is coordinating a trip to the Colorado River Aqueduct and will provide information to the Board of any upcoming tours.

10. UPDATE ON FINANCE & ENERGY RESOURCES ITEMS.

B. Beelner, Assistant General Manager – Finance & Energy Resources, discussed the monthly Finance dashboard with the Board. The year to date electric revenue through May 2022 was 0.2% above budget (\$0.9M). Electric costs for the fiscal year to date fell below budget by 6.1% (\$22.1M) causing a net positive budget variance of \$22M. B. Beelner then mentioned that year to date water revenue was 0.1% (\$0.1M) above budget. However, water operating costs fell below budget by 8.0% (\$6.0M) causing a net positive budget variance of \$6.1M. B. Beelner then discussed the recent 0.75% increase in the Federal Funds Rate made by the Federal Reserve. B. Beelner made the Board aware that since all the APU debt is fixed, the interest rate change would have no impact on APU.

B. Beelner presented the Power Supply dashboard and discussed the various inflationary pressures APU's power supply portfolio currently faces. B. Beelner mentioned the recent increase in wholesale energy prices due to continued increases in the price of natural gas caused by the ongoing situation in Ukraine.

B. Beelner also discussed with the Board the continued difficulty in sourcing and delivering fuel to the Intermountain Power Project (IPP). This difficulty has increased recently due to ongoing labor issues with Union Pacific Railroad who transports fuel, the increasing demand for coal in Europe due to the lack of natural gas for their power needs, and various issues with the quality of coal supplied by one of IPP's main fuel providers.

11. UPDATE ON ADMINISTRATION & RISK SERVICES ITEMS.

J. Lehman, Assistant General Manager – Administration and Risk Services, provided the Board with information on the upcoming second round of State customer arrearage funding.

J. Lehman then invited the Board's attention to the Administration and Risk Services Dashboard where she highlighted bills of interest, and then discussed the safety metrics.

12. ITEMS BY SECRETARY.

D. Lee, Public Utilities General Manager, discussed the upcoming events memo, and requested that Board members contact P. Starr if any member is planning to attend.

D. Lee introduced Tania Castaneda, the new Community and Sustainability Programs Manager. She will oversee public facing programs that deal with electric transportation and efficiency rebates for businesses and residential customers.

D. Lee shared agenda items planned for next month:

- Per-and Poly-Fluoroalkyl Substances (PFAS) Update
- Credit and Collections Vendor Services Agreement
- Underground Utility Locating Services Agreements
- Environmental Services Agreements
- Second Amendment to the Customer Information System Agreement
- New Pole Lease Agreements

D. Lee gave an update on a neighborhood meeting that took place on Anna Drive. APU partnered with the River Church who held a resource fair in which other departments participated. APU provided resource information.

D. Lee shared information on APU's signature event, the OC Green Expo event, which helps educate the community about the benefits of lower tail pipe emissions and electric transportation. The event was well attended with approximately 800 attendees, 40 vendors, and 18 electric vehicles were available to test drive.

13. ITEMS BY BOARD MEMBERS.

M. Lee thanked D. Lee and APU staff for attending the neighborhood community meetings. He also added that he really likes the scholarship program that APU offers high school students and shared that he appreciated having the two previous high school recipients in attendance.

A. Abdulrahman encouraged staff to continue with their programs and projects.

14. ADJOURNMENT: (NEXT REGULAR MEETING ON JULY 27, 2022 AT 5:00 P.M.)

M. Lee moved to adjourn the Regular Meeting in the Gordon Hoyt Conference Center at 6:35 p.m. to the Board's Regular Meeting date of July 27, 2022 at 5:00

p.m. N. Campos Kurtz
seconded the motion.
MOTION CARRIED: 4-0.
ABSTAINED: 0.
**ABSENT: 3. [V. Baroldi,
R. Bhalla, A. Pham].**

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Dukku Lee', with a long horizontal flourish extending to the right.

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.