



PUBLIC UTILITIES
anaheim.net/utilities

ANNUAL REPORT

For the Fiscal Year Ended June 30, 2019

Relating to:

CITY OF ANAHEIM PUBLIC UTILITIES DEPARTMENT (ELECTRIC SYSTEM)

- \$42,955,000 Anaheim Housing and Public Improvements Authority Revenue Refunding Bonds, Series 2017-A (Electric Utility Distribution System Refunding), ("the 2017-A Bonds")
- \$194,790,000 Anaheim Housing and Public Improvements Authority Revenue Refunding Bonds, Series 2017-B (Electric Utility Distribution System Refunding), ("the 2017-B Bonds")
- \$219,285,000 Anaheim Housing and Public Improvements Authority Revenue Bonds, Series 2016-A (Electric Utility Distribution System Refunding and Improvements), ("the 2016-A Bonds")
- \$69,780,000 Anaheim Housing and Public Improvements Authority Revenue Refunding Bonds, Series 2016-B (Electric Utility Distribution System Refunding),(Taxable), ("the 2016-B Bonds")
- \$92,865,000 California Municipal Finance Authority Revenue Refunding Bonds, Series 2015-B (City of Anaheim Electric Utility Distribution System Refunding and Improvements) ("the 2015-B Bonds")
- \$50,000,000 California Municipal Finance Authority Revenue Bonds, Series 2015-A (City of Anaheim Electric Utility Distribution Facilities) ("the 2015-A Bonds")
- \$109,350,000 California Municipal Finance Authority Revenue Refunding Bonds, Series 2014-A (City of Anaheim Electric Utility Distribution System Refunding) ("the 2014 Bonds")
- \$92,130,000 Anaheim Public Financing Authority Revenue Refunding Bonds, Series 2012-A (City of Anaheim Electric System Distribution Refunding) ("the 2012 Bonds")
- \$90,390,000 Anaheim Public Financing Authority Revenue Bonds, Series 2011-A (City of Anaheim Electric System Distribution Facilities) ("the 2011 Bonds")

Dated as of:
December 27, 2019

CUSIP NUMBERS*

Anaheim Housing and Public Improvements Authority Revenue Refunding Bonds, Series 2017-A

(Electric Utility Distribution System Refunding)

032556CK6	032556CN0	032556CR1
032556CL4	032556CP5	032556CS9
032556CM2	032556CQ3	

Anaheim Housing and Public Improvements Authority Revenue Refunding Bonds, Series 2017-B

(Electric Utility Distribution System Refunding)

032556CU4	032556CZ3	032556DF6
032556CV2	032556DA7	032556DG4
032556CW0	032556DB5	032556DH2
032556CX8	032556DC3	032556DJ8
032556CY6	032556DD1	032556DK5
	032556DE9	

Anaheim Housing and Public Improvements Authority Revenue Bonds, Series 2016-A

(Electric Utility Distribution System Refunding and Improvements)

032556BB7	032556BG6	032556BP6
032556BC5	032556BH4	032556BQ4
032556BD3	032556BJ0	032556BR2
032556BE1	032556BK7	032556BS0
032556BF8	032556BL5	032556BT8
	032556BM3	032556BU5
	032556BN1	032556BV3

Anaheim Housing and Public Improvements Authority Revenue Bonds, Series 2016-B

**(Electric System Distribution System Refunding)
(Taxable)**

032556BZ4
032556CA8

CUSIP NUMBERS*

California Municipal Financing Authority Revenue Refunding Bonds, Series 2015-B

(City of Anaheim Electric Utility Distribution System Refunding and Improvements)

13048TWR0	13048TWU3	13048TXC2
13048TWS8	13048TWV1	13048TXD0
13048TWT6	13048TWW9	13048TXE8
	13048TWX7	13048TXF5
	13048TWY5	13048TXG3
	13048TWZ2	13048TXL2
	13048TXA6	13048TXH1
	13048TXB4	13048TXM0

California Municipal Financing Authority Revenue Bonds, Series 2015-A (City of Anaheim Electric System Distribution Facilities)

13048TTU7

California Municipal Financing Authority Revenue Refunding Bonds, Series 2014-A

(City of Anaheim Electric System Distribution System Refunding)

13048TSN4	13048TSR5
13048TSP9	13048TSS3
13048TSQ7	13048TST1
	13048TSU8

Anaheim Public Financing Authority Revenue Refunding Bonds, Series 2012-A (City of Anaheim Electric System Distribution System Refunding)

03255MQW0	03255MRE9
03255MQX8	03255MRF6
03255MRD1	03255MRG4

Anaheim Public Financing Authority Revenue Refunding Bonds, Series 2011-A (City of Anaheim Electric System Distribution Facilities)

03255MQF7
03255MQG5

* CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is set forth for convenience of reference only. The department assumes no responsibility for the accuracy of such data.

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City of Anaheim
PUBLIC UTILITIES DEPARTMENT
Administration

Date: December 27, 2019

To: Holders and Beneficial Owners of the Anaheim Housing and Public Improvements Authority, Anaheim Public Financing Authority and California Municipal Finance Authority Bonds as listed below

From: Public Utilities Department of the City of Anaheim, California

RE: Fiscal Year 2019 - Ongoing Disclosure of Financial Information and Operating Data Relating to the Electric System

This submission constitutes the 2019 Annual Report of the City of Anaheim ("the City") and is being provided by the City's Department of Public Utilities ("the Department") to provide updated financial and operating information of the Department's Electric Utility of the type included in the final official statements for the following:

- \$42,955,000 Anaheim Housing and Public Improvements Authority Revenue Refunding Bonds, Series 2017-A (Electric Utility Distribution System Refunding), ("the 2017-A Bonds")
- \$194,790,000 Anaheim Housing and Public Improvements Authority Revenue Refunding Bonds, Series 2017-B (Electric Utility Distribution System Refunding), ("the 2017-B Bonds")
- \$219,285,000 Anaheim Housing and Public Improvements Authority Revenue Bonds, Series 2016-A (Electric Utility Distribution System Refunding and Improvements), ("the 2016-A Bonds")
- \$69,780,000 Anaheim Housing and Public Improvements Authority Revenue Refunding Bonds, Series 2016-B (Electric Utility Distribution System Refunding),(Taxable), ("the 2016-B Bonds")
- \$92,865,000 California Municipal Finance Authority Revenue Refunding Bonds, Series 2015-B (City of Anaheim Electric Utility Distribution System Refunding and Improvements) ("the 2015-B Bonds")
- \$50,000,000 California Municipal Finance Authority Revenue Bonds, Series 2015-A (City of Anaheim Electric System Distribution Facilities) ("the 2015-A Bonds"), (Second Lien Qualified Obligations)
- \$109,350,000 California Municipal Finance Authority Revenue Refunding Bonds, Series 2014-A (City of Anaheim Electric Utility Distribution System Refunding) ("the 2014 Bonds")
- \$92,130,000 Anaheim Public Financing Authority Revenue Refunding Bonds, Series 2012-A (City of Anaheim Electric System Distribution System Refunding) ("the 2012 Bonds")
- \$90,390,000 Anaheim Public Financing Authority Revenue Bonds, Series 2011-A (City of Anaheim Electric System Distribution Facilities) ("the 2011 Bonds")

The 2019 Annual Report is provided pursuant to the covenants made by the Department in connection with the issuance of; (i) the 2016-A and 2016-B Bonds as required by the Continuing Disclosure Agreement by and between the City and U.S. Bank National Association dated as of October 1, 2016; (ii) the 2015-B Bonds as required by the Continuing Disclosure Agreement by and between the City and U.S. Bank National Association dated as of June 1, 2015; (iii) the 2015-A Bonds as required by the Continuing Disclosure Agreement by and between the City and U.S. Bank National Association dated as of April 1, 2015; (iv) the 2014-A Bonds as required by the Continuing Disclosure Agreement by and between the City and U.S. Bank National Association dated as of October 1, 2014; (v) the 2012 Bonds as required by the Continuing Disclosure Agreement by and between the City and The Bank of New York Mellon Trust Company dated as of September 1, 2012; (vi) the 2011 Bonds as required by the Continuing Disclosure Agreement by and between the City and U.S. Bank National Association dated as of May 1, 2011; (vii) the 2017-A and 2017-B Bonds as required by the Continuing Disclosure Agreement by and between the City and U.S. Bank National Association dated as of December 1, 2017.

The information provided in this submission pertains only as of its date and is subject to change without notice. The submission of this information may not create an implication that there has been no change to the information provided. The City has not agreed to provide notice in the event of subsequent changes to the information provided.

The Annual Report and Audited Financial Statements were filed on December 27, 2019 with Electronic Municipal Market Access (emma.msrb.org).

For further information regarding this Report, please contact Russell Dowell at (714) 765-4628.

Sincerely,

A handwritten signature in blue ink that reads "Russell E. Dowell". The signature is written in a cursive style with a large initial "R".

Russell E. Dowell
Controller
Public Utilities Department
City of Anaheim, CA

City of Anaheim Electric Utility
Continuing Disclosure Tabular Requirements

1. Historical Loads and Resources

(in mW)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Peak Loads	554	562	535	584	584
Combustion Turbine	45	45	45	45	45
San Juan, Unit 4	-	50	50	50	50
Hoover	40	40	40	40	40
IPP	236	236	236	236	236
Magnolia	118	118	118	118	118
Canyon Power Project	200	200	200	200	200
Ormat Technologies	8	8	8	8	8
PPM Energy	32	32	32	32	32
Brea Power Partners (Ridgewood)	27	27	27	27	27
Raser Technologies	7	7	7	7	7
San Gorgonio Farm	31	31	31	31	31
MWD Small Hydro	10	10	10	10	10
Noble	-	-	19.9	20	19.9
Bowerman Power	20	20	20	20	-
Westlands (Westside Solar, LLC)	2	2	2	2	-
Loyalton	0.5	0.5	-	-	-
Subtotal	<u>777</u>	<u>827</u>	<u>846</u>	<u>846</u>	<u>824</u>
Less Reserves and Losses	-	-	-	-	-
Net Resources	<u>777</u>	<u>827</u>	<u>846</u>	<u>846</u>	<u>824</u>

2. Electric System Statistics

(\$ in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Investment in Utility Plant:					
Production ⁽¹⁾	\$ 46,103	\$ 46,103	\$ 130,719	\$ 130,719	\$ 130,719
Transmission	97,371	97,367	97,235	96,727	96,400
Distribution	1,020,429	1,018,714	1,004,757	949,811	919,288
General	147,295	142,506	137,459	135,633	133,883
Gross Utility Plant	<u>1,311,198</u>	<u>1,304,690</u>	<u>1,370,170</u>	<u>1,312,890</u>	<u>1,280,290</u>
Less Accumulated Depreciation	(569,045)	(559,890)	(601,412)	(550,220)	(497,041)
Net Plant in Service	742,153	744,800	768,758	762,670	783,249
Land	34,243	34,243	34,243	34,243	35,671
Construction Work in Progress	208,060	144,398	91,236	84,945	60,646
Total Utility Plant	<u>\$ 984,456</u>	<u>\$ 923,441</u>	<u>\$ 894,237</u>	<u>\$ 881,858</u>	<u>\$ 879,566</u>
Production costs					
Owned Generation ⁽¹⁾	8,613	19,676	32,537	32,032	31,907
Purchased Power ⁽²⁾	220,342	179,470	200,916	176,248	200,952
Total Production Costs	<u>\$ 228,955</u>	<u>\$ 199,146</u>	<u>\$ 233,453</u>	<u>\$ 208,280</u>	<u>\$ 232,859</u>
Transmission - 69kV Circuit Miles	90	90	90	88	87
Distribution Overhead Circuit Miles	394	399	402	408	414
Distribution Underground Circuit Miles	738	714	708	693	680
Transformer Capacity (in kVA)					
220 kV to 69 kV	1,808,000	1,808,000	1,808,000	1,808,000	1,808,000
69 kV to 12 kV	1,325,800	1,157,800	1,157,800	1,157,800	1,157,800
12 kV to Customer	1,854,555	1,646,574	1,543,238	1,543,238	1,539,192

(1) Includes debt service on facilities during the fiscal period.

(2) Excludes transmission costs and gas costs.

3. Total Megawatt Hours (mWh) Generated and Purchased and Peak Demand (mW)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Owned Generation:					
San Juan	-	182,327	340,146	266,263	325,045
Combustion Turbine	57,876	49,063	57,921	52,657	46,612
Firm Purchases:					
Intermountain Power Project	1,304,916	1,112,208	1,132,118	1,109,117	1,492,531
Canyon Power Project	178,733	177,257	144,510	84,064	115,090
Hoover	37,226	38,787	37,654	41,177	41,237
Magnolia	602,440	621,994	594,095	706,714	718,802
Renewable Resources	677,002	734,763	825,801	840,243	834,304
Non Firm Purchases:	386,870	303,380	256,752	269,341	215,495
System Total Energy Generated and Purchased, mWh	<u>3,245,063</u>	<u>3,219,779</u>	<u>3,388,997</u>	<u>3,369,577</u>	<u>3,789,116</u>
Distribution System Peak Demand, mW	554	562	535	584	578

City of Anaheim Electric Utility
Continuing Disclosure Tabular Requirements

4. Average Number of Customers (meters)	2019	2018	2017	2016	2015
Residential	102,567	101,740	100,480	99,836	98,475
Commercial	17,415	17,386	17,355	17,305	16,777
Industrial	297	306	297	303	300
Other	112	120	117	134	115
Other Utilities	12	12	15	15	15
Total - All Classes	120,403	119,564	118,264	117,593	115,682

5. Total Energy Sold (mWh)	2019	2018	2017	2016	2015
Residential	598,487	592,732	592,114	606,951	615,111
Commercial	758,255	797,648	773,010	774,254	794,509
Industrial	932,854	921,712	981,188	1,012,644	1,061,475
Other	664	825	821	7,459	9,228
Other Utilities	818,897	845,619	951,207	821,284	1,245,063
Total - All Classes	3,109,157	3,158,536	3,298,340	3,222,592	3,725,386

6. Primary Rate Schedules for Residential, Commercial and Industrial Customers

Type and Description of Service

Domestic Service: Single Family Basic

Customer Charge	\$ 5.00
Energy Charge (to be added to Customer Charge)	
First 300 kWh, per kWh	\$ 12.00 cents
All excess kWh, per kWh	\$ 19.74 cents

General Service: Small Commercial

Customer Charge	\$ 15.00
Energy Charge (to be added to Customer Charge)	
All kWh, per kWh	\$ 17.62 cents

General Service: Large Commercial & Industrial Customers

Customer Charge	\$ 360.91
Demand Charge (to be added to Customer Charge)	
First 200 kW or less of billing demand	\$ 2,769.00
All excess kW of billing demand, per kW	\$ 15.65
Energy Charge (to be added to Customer Charge)	
For the first 540 kWh per kW of billing demand, per kWh	\$ 11.35 cents
All excess kWh, per kWh	\$ 8.13 cents

Time of Use: Commercial / Industrial > 500 kW, optional

	<u>Summer</u>	<u>Winter</u>
Customer Charge	\$ 342.12	\$ 342.12
Demand Charge (to be added to Customer Charge)		
Non-time related Maximum Demand, per kW	\$ 8.66	\$ 8.66
Plus all on-peak demand, per kW	\$ 15.68	N/A
Plus all mid-peak demand, per kW	\$ 5.47	\$ 5.74
Plus all off-peak demand, per kW	N/A	N/A
Energy Charge (to be added to Customer Charge)		
All on-peak demand, per kWh	\$ 14.80 cents	N/A cents
Plus all mid-peak demand, per kWh	\$ 11.71 cents	12.48 cents
Plus all off-peak demand, per kWh	\$ 7.87 cents	7.87 cents

7. Average Percentage Increase (or decrease) in Electric Rates

Effective Date	Overall			
	System	Residential	Commercial	Industrial
May 17, 2018	0.0%	0.0%	0.0%	3.3%
February 1, 2018	3.1%	3.0%	2.8%	3.4%
April 3, 2017	-2.5%	-2.4%	-2.2%	-2.7%
February 1, 2017	0.0%	0.0%	0.0%	-3.5%
September 8, 2015	2.8%	2.6%	2.6%	3.1%
September 1, 2015	0.0%	0.0%	0.0%	0.0%
May 5, 2015	3.2%	3.0%	3.0%	3.6%
August 1, 2013	0.0%	0.0%	0.0%	0.0%

Anaheim implemented a power cost adjustment (PCA) factor on 4/1/2001, and Environmental Mitigation adjustment (EMA) factor on 1/13/2009.

On August 1, 2013, a new large TOU rate was added as \$0.01/kWh

On May 5, 2015, the PCA was increased by \$0.005/kWh for all customers.

On September 1, 2015, rates were restructured to reduce the PCA and EMA to \$0.0000/kWh with a corresponding increase to base rates.

The residential lifeline allowance was also increased from 270 kWh/month to 300 kWh/month and the income-qualified discount was extended to military veterans.

On September 8, 2015, the EMA was increased by \$0.0045/kWh for all customers.

On February 1, 2017 the PCA was reduced by \$0.0052/kWh for Large TOU customers

On April 3, 2017 the EMA was reduced by \$0.004/kWh for all customers

On February 1, 2018, the PCA was increased by \$0.005/kWh for all customers.

On May 17, 2018, the EMA was increased by \$0.005/kWh for Large TOU customers

An underground surcharge of 4% on customer bills was implemented as part of electric rates in November 1996.

**City of Anaheim Electric Utility
Continuing Disclosure Tabular Requirements**

8. Average Billing Price (Cents) per kilowatt-hour (retail sales)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Residential	16.99	16.69	16.90	17.18	16.65
Commercial	18.15	17.54	17.79	17.65	16.58
Industrial	15.22	14.66	14.75	14.72	13.90
Other	15.43	14.62	14.61	16.10	15.87
System Average	16.65	16.20	16.29	16.29	15.47

Average billing price per kWh is included of PCA and EMA charges.
Average billing price changed to cents from mills since 2009.

9. Financial Results of the Electric System

(\$ in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
REVENUES					
Sale of electricity					
Residential	\$ 99,321	\$ 97,586	\$ 97,204	\$ 97,286	\$ 86,584
Commercial	131,998	138,140	134,231	129,479	115,934
Industrial	131,553	135,631	142,699	139,471	120,575
Other	4,092	5,772	4,489	1,157	1,270
Other utilities	38,138	28,879	24,372	11,568	27,800
Billed revenue from the sale of electricity*	405,103	406,008	402,995	378,961	352,163
Change in unbilled revenue**	-	694	\$ (1,852)	\$ 5,228	\$ (156)
Total revenue from the sale of electricity	405,103	406,702	401,143	384,189	352,007
Provision for rate stabilization (RSA)	15,000	-	-	7,000	65,000
Other revenues ⁽¹⁾	48,973	40,148	34,693	42,555	41,204
Total gross revenues	\$ 469,076	\$ 446,850	\$ 435,837	\$ 433,744	\$ 458,211
EXPENSES					
Cost of purchased power ⁽²⁾⁽³⁾	295,540	244,687	263,729	239,863	264,870
Fuel and generation	8,613	19,676	19,337	20,833	23,171
Operations, maintenance, and administration	56,260	60,429	50,128	52,635	47,902
Right of way fee	5,570	5,584	5,694	5,838	5,263
Total operating expenses	365,983	330,376	338,888	319,169	341,206
NET REVENUES	103,093	116,474	96,949	114,575	117,005
Deposits/(Reduction) to renewal and replacement	(244)	(374)	(122)	(440)	377
SURPLUS REVENUES (a)	103,337	116,848	97,071	115,015	116,628
Second lien qualified obligations	951	832	571	292	47
Qualified obligations purchase payments ^(b) ⁽⁴⁾	50,410	51,086	47,898	40,829	40,781
Qualified obligations purchase payments including second lien obligations	51,361	51,918	48,469	41,121	40,828
Net revenues after debt service payments	51,975	64,930	48,602	73,893	75,800
Transfers to Anaheim general fund	(17,444)	(17,028)	(19,032)	(17,358)	(17,151)
Transfers from (to) Anaheim other funds	227	492	53	110	4,114
BALANCE FOR OTHER PURPOSES	\$ 34,758	\$ 48,394	\$ 29,623	\$ 56,645	\$ 62,763
Qualified obligation debt service coverage (a/b)	2.0	2.3	2.0	2.8	2.9

* Billed revenue from the sale of electricity already reflects the change in unbilled revenue.

** As of FY19, change in unbilled revenue will no longer be reported separately.

(1) The other revenues include transmission revenues, natural gas sales and interest income.

(2) The cost of purchased power includes take-or-pay obligations with joint power agencies.

(3) The cost of purchased power includes transmission costs and natural gas cost.

(4) Qualified Obligations outstanding at June 30, 2019 include \$62,990,000 Anaheim Public Financing Authority Revenue Bonds, Series 2012-A;

6,585,000 Anaheim Public Financing Authority Revenue Bonds, Series 2011-A;

\$134,855,000 Anaheim Housing and Public Improvement Authority Revenue Refunding Bonds, Series 2016A,B; \$79,570,000 California Municipal Finance

Authority Revenue Refunding Bonds Series 2014-A ; \$78,685,000 California Municipal Finance Authority Revenue Refunding Bonds Series 2015-B

\$237,285,000 Anaheim Housing and Public Improvement Authority Revenue Refunding Bonds, Series 2017A,B

Second Lien Qualified Obligations outstanding a June 30, 2015 include \$50,000,000 California Municipal Finance Authority Revenue Refunding Bonds Series 2015-A;

**City of Anaheim Electric Utility
Continuing Disclosure Tabular Requirements**

10. Outstanding Debt of Joint Powers Agencies and Anaheim's Entitlement

As of November 1, 2019 (\$ in thousands)	Principal Amount of Outstanding Debt	Anaheim Participation %	Anaheim Share of Outstanding Debt
Intermountain Power Agency			
Intermountain Power Agency	\$ 584,862	13.225%	\$ 77,348
Southern California Public Power Authority			
Southern Transmission System	377,315	17.647%	66,585
Hoover Dam Upgrading	-	42.553%	-
Magnolia Power Project	270,320	39.683%	107,271
Mead-Phoenix Transmission	4,615	24.200%	1,117
Mead-Adelanto Transmission	15,480	13.500%	2,090
Prepaid Natural Gas Project	291,275	16.500%	48,060
Natural Gas Reserves	28,560	100.000%	28,560
Canyon Power Project	307,995	100.000%	307,995
Total	\$1,880,422		\$ 639,026

Source: Based on information provided by the Intermountain Power Agency and the Southern California Public Power Authority.

AUDITED FINANCIAL STATEMENTS

The City of Anaheim Electric Utility Fund Financial Statements for the Fiscal Year Ended June 30, 2019 (With Independent Auditors' Report Thereon dated December 23, 2019) is attached as a separate file.