

**CITY OF ANAHEIM
PUBLIC UTILITIES BOARD**

MINUTES

March 23, 2022

The agenda having been posted on Thursday, March 17, 2022, the Regular Meeting of the Public Utilities Board (Board) was called to order by Chairperson J. Seymour at 5:00 p.m. on Wednesday, March 23, 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, R. Bhalla, N. Campos Kurtz, M. Lee, A. Pham

Board Members Absent: Vice-Chairperson V. Baroldi

City Staff Present: D. Lee, P. Starr, J. Lehman, M. Moore, M. Seifen, D. Ballin, A. Nguyen, C. Thompson, E. Kwon, C. Pereyra, Y. Saldivar, S. Boodanian

Guest(s) Present: None.

AGENDA ITEM

ACTION TAKEN

RECOGNITION: DANIEL BALLIN OF CITY ATTORNEY'S OFFICE

D. Lee, Public Utilities General Manager, and the Board recognized Daniel Ballin – Deputy City Attorney IV, for his 12 years of service with the City of Anaheim.

1. PUBLIC COMMENTS.

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

2. ELECTION FOR ONE MEMBER OF THE UNDERGROUND CONVERSION SUBCOMMITTEE. **

D. Ballin, Deputy City Attorney IV, opened the floor for a nomination of one member of the Underground Conversion Subcommittee. Chairperson J. Seymour nominated Board Member M. Lee, who accepted his nomination. N. Campos Kurtz moved to close the nomination, and M. Lee seconded the motion. By voice vote, the Board members unanimously voted to close the nominations and elect M. Lee to serve on the Underground Conversion Subcommittee.

By voice vote, the Board closed the nominations and elected M. Lee to serve on the Underground Conversion Subcommittee.
MOTION CARRIED: 6-0.
ABSTAINED: 0.
ABSENT: 1 [V. Baroldi].

3. APPROVAL OF THE MINUTES OF THE PUBLIC UTILITIES BOARD REGULAR MEETING OF FEBRUARY 23, 2022. *

A. Abdulrahman moved the approval of the Minutes of the Public Utilities Board Regular Meeting of February 23, 2022. R. Bhalla seconded the motion. **MOTION CARRIED: 6-0. ABSTAINED: 0 ABSENT: 1 [V. Baroldi].**

4. PRESENTATION: UTILITIES SUCCESS INDICATORS, REPORTING PERIOD 7/1/21 – 12/31/21.

C. Pereyra, Utilities Budget and Performance Administrator, presented an update on the Utilities Success Indicators (USI) for the reporting period of July 1, 2021 through December 31, 2021. C. Pereyra reported that Anaheim Public Utilities (APU) accomplished its customer service call wait time of less than three minutes on average.

For electric service reliability, C. Pereyra explained that the windstorm outages during the Thanksgiving holiday had a significant impact on the metrics for the electric system, due to 20,000 customers being affected by a series of outages. The Board sought clarification on how outage frequency is calculated. D. Lee explained that the metric is calculated by taking the incidents and dividing it by the total number of customers.

Discussing water system reliability, C. Pereyra noted that APU met its water main break target that is set below the industry standard; however, maintenance of hydrants and valves did not meet the target due to crews working on other projects and reduced staffing levels. C. Pereyra stated that an area of focus for continued reliability improvements is by using the design build agreement previously approved by the Board, which has allowed for accelerated replacement of aged water mains.

For employee efficiency, C. Pereyra noted that while APU met the target of meeting or exceeding industry benchmarks, previous retirements and turnover of staff has reduced staffing levels, which has resulted in prioritizing projects and work activities.

C. Pereyra described how electric and water rates remain competitive compared to other agencies and mentioned that despite the water adjustment increase earlier in the calendar year, a typical APU residential bill remain below other Orange County cities.

Finally, C. Pereyra discussed how APU has maintained alignment with City goals and initiatives, including participation in ReBuild Beach improvements, securing arrearage funding to help APU

customers pay their bills, and hosting community engagement events.

5. CAP AND TRADE PROGRAM COMPLIANCE UPDATE.

B. Beelner, Assistant General Manager – Finance and Energy Resources, discussed the legislative history of California’s Cap and Trade program as mandated by Assembly Bill (AB) 32 and AB 398, how the program works and how Anaheim has complied with the program over Compliance Period 3 covering the years 2018 through 2020. B. Beelner shared with the Board that the law mandates APU to update the Board on its Cap and Trade compliance after each compliance period or every three years.

B. Beelner discussed how allowances are allocated to Anaheim, how the program treats Publicly Owned Utilities (POUs), like Anaheim, differently than Investor Owned Utilities (IOUs), and how the program will change as Anaheim’s resource mix incorporates more renewable power supplies thereby emitting less Green House Gas (GHG).

The Board asked how the State determines the amount of emissions allowable under the cap before Anaheim must procure new allowances. B. Beelner responded that the cap is based on historical retail sales, and as retail sales have declined over time, Anaheim is granted more allowances which Anaheim can then be utilized to lower renewable power supply costs, which is essential for affordability.

The Board also asked why allowances used for compliance in 2020 were so much higher than allowances used for compliance in 2018 and 2019. D. Lee responded that the allowances must be used over the three year period of emissions in aggregate and that there is no need to use them to match a singular year’s emissions as long as they are used to match the three years’ worth of emissions. B. Beelner then mentioned that these decisions are based on market prices and other factors.

6. APPROVAL OF AGREEMENT WITH FRONTIER ENERGY FOR ELECTRIC VEHICLE (EV) CHARGING INFRASTRUCTURE TECHNICAL CONSULTING SERVICES FOR A TERM OF THREE YEARS WITH UP TO TWO ONE-YEAR EXTENSIONS IN AN ANNUAL NOT-TO-EXCEED AMOUNT OF \$271,600.00 WITH A FIFTEEN PERCENT (15%) CONTINGENCY. *

D. Lee mentioned that APU accesses a state emissions credit program that is utilized to fund zero emissions programs such as EV customer rebates. The state requirement through this funding is that APU has to spend a certain amount in disadvantaged communities. As such, this agreement will assist APU with development of EV charging stations at certain facilities such as shopping markets,

N. Campos Kurtz moved the approval of the issuance of the agreement with Frontier Energy for Electric Vehicle (EV) charging infrastructure technical consulting services for a term of three years with up to two one-year extensions in an annual not-to-exceed amount of \$271,600.00 with a fifteen percent (15%) contingency. A. Pham seconded the motion.

multi-family developments, and help with master planning at large fleets such as schools.

MOTION CARRIED: 6-0.
ABSTAINED: 0.
ABSENT: 1. [V. Baroldi]

The Board inquired about how potential customers will be notified about the program, and D. Lee responded that through targeted outreach as well as responding to inquiries that are starting to come in from interested customers seeking to provide EV charging. Additionally, by being proactive and having resources available to assist schools and businesses who may have large EV charging needs, APU will be better prepared to plan for distribution system upgrades needed to support higher electrical capacity needs, and avoid incremental, inefficient projects. Further, APU is currently developing a direct installation program for public access chargers, and this consulting service will help with site feasibility.

The Board inquired about targets for the consulting firm, and D. Lee directed the Board to the proposal worksheet in the agreement that includes tasks and quantities, and noted that although participation is voluntary by customers, the goal is to fully utilize the agreement.

The Board inquired about how much funding would be allocated to disadvantaged communities. D. Lee responded that there is no set allocation, but that efforts would be made to target outreach to areas such as shopping centers or other public spaces for the benefit of area residents.

The Board asked if there were any labor impacts to outsource such services. D. Lee referenced S. Boodanian who is the responsible supervisor and his team who often utilize consulting services for program business efficiency deployment and implementation, and that this is no different.

The Board asked a series of questions related to infrastructure and timelines, and D. Lee responded that the challenge facing APU and much of the utility industry is not the incremental chargers in neighborhoods, since the transformer replacement project is helping to address such needs, but rather large-scale deployments such as fleets that could require significant upgrades to utility infrastructure, and part of the reason for retaining a consultant is to assist with master planning to provide sufficient lead time to make necessary upgrades.

7. APPROVAL OF THE DIRECT PAYMENT AGREEMENT WITH HORNE LLC TO RECEIVE FEDERALLY-FUNDED LOW-INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM (LIHWAP) GRANT FUNDS TO BE APPLIED TO THE ACCOUNTS OF ELIGIBLE WATER AND WASTEWATER CUSTOMERS. *

M. Lee moved the approval of the direct payment agreement with Horne LLC to receive Federally-funded Low-Income Household Water Assistance Program (LIHWAP) grant funds to be applied to accounts of eligible water and

J. Lehman, Interim Assistant General Manager - Administration and Risk Services, requested that the Board approve the

recommendation to City Council to participate in the State's Low Income Water Assistance Program (Program). J. Lehman explained that this Program would provide eligible customers with one-time assistance on their water and/or wastewater bill of up to \$2,000 based on their income. J. Lehman mentioned that there are income eligibility requirements for this Program; for example, for a family of four this would equate to an income of approximately \$59,000 annually, which is based on 60% of the state median income. J. Lehman indicated that since 2003, APU had participated in a similar program for electric services customers, but this is a new program and it will be the first time that this Program will be available for water customers. The State expects to begin accepting applications in May. J. Lehman then shared that this will be one more tool that APU will be able to offer its customers who are having trouble paying their bills.

J. Lehman made a correction to the staff report to clarify that APU was asking the Board to recommend approval of the item by the City Council.

wastewater customers, with the correction to the staff report recommendation. N. Campos Kurtz seconded the motion.

MOTION CARRIED: 6-0.
ABSTAINED: 0.
ABSENT: 1. [V. Baroldi].

8. UPDATE ON ELECTRIC SYSTEM ITEMS.

No updates.

9. UPDATE ON WATER SYSTEM ITEMS.

M. Moore, Assistant General Manager – Water Services, provided an update on Water Services. The monthly Water Supply Dashboard was presented and M. Moore pointed out that Southern California is in the 3rd year of drought conditions. The Governor is anticipated to impose mandatory water reductions to respond to the drought conditions. APU will present to the Board in April the status of the drought and recommend taking further action under Anaheim's Water Shortage Contingency Plan.

M. Moore mentioned a tour of Orange County Water District's Groundwater Replenishment System (GWRS) project was provided to the Board. Board Members M. Lee and A. Pham attended the tour that included two APU construction sites for a pipe replacement project and new well drilling.

10. UPDATE ON FINANCE & ENERGY RESOURCES ITEMS.

B. Beelner shared with the Board that the City Council approved the Water and Electric Bond Resolutions, which the Board recommended in February, by a vote of 7-0 at its March 15, 2022 meeting. B. Beelner then discussed with the Board the current state of the Bond market including: the recent rise in interest rates, how the rise in interest rates may hinder APU's ability to refund bonds as planned, and a forecast of where interest rates are likely to go based on Wall Street estimates.

B. Beelner then showed the Board a picture of the current coal pile at the Intermountain Power Project (Project) highlighting the shrinkage in the pile. B. Beelner discussed how current shipments of coal are about double the current burn rate which should build the pile back up in order to run the Project at full capacity for the summer months.

11. UPDATE ON ADMINISTRATION & RISK SERVICES ITEMS.

J. Lehman invited the Board's attention to the Administration and Risk Services Dashboard and pointed out that the Dashboard now highlights legislative updates, as the water and electric arrearages have been applied to the applicable customer accounts and the legislative session is gearing up. J. Lehman highlighted three bills of interest, and reported that the PUB Legislative Working Group had met prior to the PUB meeting to discuss legislative matters in more detail. J. Lehman then highlighted the safety metrics and shared that there had been no reportable injuries during the reporting period. J. Lehman stated that the metrics help APU monitor the safety program and proactively identify areas that may require further attention.

12. ITEMS BY SECRETARY.

D. Lee shared with the Board a residential neighborhood meeting hosted by Council Member Valencia, he mentioned Board Member N. Campos Kurtz attended. The meeting originated due to a number of car vandalisms occurring in this neighborhood. Anaheim Police Department, the City Manager's Office, and Code Enforcement were also present. APU provided Dusk to Dawn security lights and other program information to the residents.

D. Lee shared photos of an area near East Street and La Palma Avenue where APU attached lights to utility poles and offered Dusk to Dawn lighting to help brighten the area. APU passed out flash lights and walked through the neighborhood to see which areas need more lighting.

D. Lee shared that APU added a double arm street light to light up part of the alley behind the Walgreens on Lincoln and State College; he noted that the residents were appreciative of the installation.

D. Lee shared that APU held a Smart Garden Workshop at the Ponderosa Family Resource Center. APU spoke with residents about the programs APU offers and smart gardening ways for residents to start growing their own food. Mayor H. Sidhu attended and spoke about agriculture being part of his upbringing.

D. Lee shared that APU has been working on the Sustainability Education Center. The idea is to have a facility in the community that would help teach residents about energy conservation, electric transportation, solar, and other programs that APU offers.

Lastly, D. Lee made the Board aware of an upcoming Electric Vehicle (EV) Ride and Drive event that will be held April 16th. A vendor will facilitate test drives of different types of electric vehicles at no cost to residents so they can learn about electric transportation.

D. Lee provided an update on items planned for next month.

- Recognition of sustainable small businesses
- Presentation on the California Independent System Operator
- Presentation on APU's budget
- Water shortage contingency plan
- Water quality report

13. ITEMS BY BOARD MEMBERS.

A. Pham thanked M. Moore and J. Lehman for the tour of Orange County Water District (OCWD) and its Groundwater Replenishment System (GWRS). A. Pham shared that it was great hands on experience. He commended APU for their presence in the community and the great relationships established, citing the Sustainability Small Business Program.

M. Lee thanked M. Moore and J. Lehman for the educational tour. He offered his best wishes to D. Ballin.

N. Campos Kurtz wished good luck to D. Ballin. She mentioned that she participated in a webinar on polyfluoroalkyl substances (PFAS), found it very interesting, and indicated that M. Moore did well in representing APU. She then thanked APU staff for the neighborhood event she participated in and commended staff.

R. Bhalla thanked D. Ballin and wished him good luck.

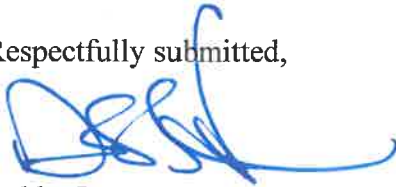
A. Abdulrahman thanked D. Ballin and mentioned how they worked together on the Underground Conversion Subcommittee and appreciated his legal advice.

J. Seymour shared an experience of someone in his neighborhood impersonating a utility worker from another utility knowing well that Anaheim was not serviced by that company. J. Seymour wanted to make people aware that these types of fraudulent things are taking place.

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

N. Campos Kurtz moved to adjourn the Regular Meeting in Gordon Hoyt Conference Center at 6:18 p.m. to the Board's Regular Meeting date of April 27, 2022 at 5:00 p.m. R. Bhalla seconded the motion.
MOTION CARRIED: 6-0.
ABSTAINED: 0.
ABSENT: 1. [V. Baroldi].

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.