



**ANAHEIM**  
PUBLIC UTILITIES

# ANNUAL REPORT 2021

Anaheim owned.  
Anaheim focused.

## GENERAL MANAGER'S LETTER

**If I had to choose one word to describe this year, it would be resilience. 2020 tested our resolve as a community, and we had to pull together to address the numerous challenges throughout the year.**

The COVID-19 pandemic impacted Anaheim's schools, restaurants, hotels, and entertainment venues. Utility operations were adjusted as residents telecommuted and stay-at-home orders were instituted. Utility disconnections were halted and customer assistance programs were developed quickly to meet the needs of residents who lost their sources of income. We developed an Emergency Assistance Program to provide up to \$350 in utility bill relief for residents. Additional funding from the federal Low Income Home Energy Assistance Program (LIHEAP) supplemented residents as they struggled with the ongoing pandemic.

In addition to the pandemic, the summer of 2020 further challenged our electric utility. Rotating outages were ordered by the California Independent System Operator for the first time in roughly 20 years, and Anaheim quickly mitigated the impacts by reducing rotating outages to 15 minutes. The outages were necessary to avoid more significant grid impacts, as heat storms resulted in heavy energy use. In addition to the rotating outages, the heat wave caused a

number of transformers to overload, as many customers kept their air conditioners running. Anaheim had to enlist contractors and a nearby utility to provide mutual aid to address the high number of outages that resulted from the heat wave. Also during the summer, wildfires erupted in nearby cities. Although Anaheim was spared, our Wildfire Mitigation Plan was activated to monitor fire and wind conditions in preparation for potential damage to Anaheim structures.

Our water system was also impacted in 2020. Groundwater wells were shut off due to regulations related to emerging per- and polyfluoroalkyl substances (PFAS), a group of synthetic chemicals used in manufacturing nonstick pans, carpets, fire fighting foams, and other products. These substances worked their way into the groundwater supply in North Orange County among many other jurisdictions in the United States. With customer safety in mind, the majority of groundwater wells were shut off and we transitioned to rely on more imported water. The rehabilitation of our Lenain Treatment Plant was completed in time to make the transition seamless to our customers.

Although we planned to celebrate our 125th electric anniversary this year, 2020 had other plans. We've had to change how we do business, how we collaborate with colleagues, but most importantly we've had to adjust how we connect with and serve our valued customers. The safety of our customers and employees continued to be the highest priority as we navigated through a new paradigm of teleworking, facial coverings, and social distancing.

We have taken financial measures to lower our costs, reduce risks, and defer non-critical expenses and projects. Non-essential capital projects, technology upgrades, and fleet replacements were all deferred. We implemented a hiring freeze for non-critical vacancies and said goodbye to employees who departed through a citywide early separation program. Earlier this fiscal year, our Public Utilities Board and City Council approved the refinancing of \$158 million in existing revenue bonds. The refinancing will shorten the term of the electric bond by seven years and the water bond by five years, projected to save customers approximately \$67 million in future interest payments. This provides Anaheim Public Utilities with future flexibility, and helps pay down existing debt faster than originally anticipated. Like our customers, we've had to become more cost-conscious and more efficient in our operations.

Resilience is the ability to recover quickly from difficult situations, and in 2020 we have had to do just that. Together with our customers, we will push through and rebuild.

### Dukku Lee

General Manager  
Anaheim Public Utilities

**"Together with our customers, we will push through and rebuild."**



# ELECTRIC SERVICES





ELECTRIC SERVICES



**121,600+**  
Electric Meters



**13,400**  
Transformers



**1,200+**  
Miles of Transmission & Primary Power Lines



**14**  
Substations

## ELECTRIC SERVICES

## Street Light Replacement Program

To continually become a more sustainable city, Anaheim Public Utilities, the Street Light Replacement Program prioritizes new street light requests and street light reliability improvements for Anaheim's 21,000+ streetlights. During the reporting period, Anaheim Public Utilities replaced over 1,300 LED streetlights in various neighborhoods including La Palma Ave., Brookhurst St., Imperial Hwy., Harbor Blvd and Chapman Ave., North St. Neighborhood, and Juno Ave. Alleyway. To date, over 70% of Anaheim's streetlights are LED.

**1,300**LED STREETLIGHTS  
REPLACED**70%**OF ANAHEIM'S  
STREETLIGHTS  
ARE LED



## ELECTRIC SERVICES



### Underground Conversion Program

During the reporting period, Anaheim Public Utilities completed the undergrounding of 0.35 circuit miles of overhead power lines along Eucalyptus Drive from Santa Ana Canyon Road. The remaining telecommunication wires will be placed underground and existing poles will be removed over the next six to eight months. This project falls within a high fire threat zone, supporting Anaheim Public Utilities Wildfire Mitigation Plan.

Additionally, FEMA approved a Hazard Mitigation Grant in February, which provides \$870k in design costs for undergrounding seven remaining overhead segments adjacent to wildfire threat zones. The district formation process is underway in parallel with the design, and a public hearing will be scheduled for fall 2021. A subsequent grant application to FEMA for the construction portion of the project will be submitted upon completion of design.

## 0.35

CIRCUIT MILES WITH  
UNDERGROUNDING  
COMPLETED

## \$870K

HAZARD  
MITIGATION  
GRANT

### Sizeable Projects Completed

- ✓ **Euclid Undergrounding:** This project undergrounded the remaining 1.3 circuit miles of overhead power lines along Euclid Street and within city limits.
- ✓ **Eucalyptus Undergrounding:** This project undergrounded 0.35 circuit miles of overhead power lines on Eucalyptus Drive from Santa Ana Canyon Road to 2,000 feet southwest. The project falls within a Tier 3 high fire threat zone which supports Anaheim Public Utilities' Wildfire Mitigation Plan to reduce risks associated with overhead electrical lines.

## ELECTRIC SERVICES



## Direct Buried Cable Program

The Direct Buried Cable Program replaces cable that was installed in the 1970s and 1980s with a more resilient conduit/duct system to improve electric service reliability. Anaheim Public Utilities has now completed the construction of 4,200 feet of direct buried cable replacement to improve electric service on Andover Dr. For the entire fiscal year, Anaheim Public Utilities replaced over 2.5 circuit miles of direct buried cable through this program, and approximately 213 circuit miles of direct buried cable since 2003.

**4,200**FEET OF CABLE  
REPLACED**2.5**CIRCUIT MILES OF  
CABLE REPLACED**213**CIRCUIT MILES OF CABLE  
REPLACED SINCE 2003

## Tree Line USA Designation

In April, The Arbor Day Foundation recognized Anaheim Public Utilities as a Tree Line USA utility for the 19 years in a row. This recognition is for best practices in utility forestry, public education, and energy conservation. Anaheim proactively performs vegetation management activities to establish clearances between vegetation and energized conductors. Anaheim contractors perform power line clearance tree trimming for approximately 13,000 trees annually across Anaheim, with approximately 5% of those trees within high fire threat zones.



# WATER SERVICES





WATER SERVICES



**64,500+**  
Water Meters



**7,900+**  
Fire Hydrants

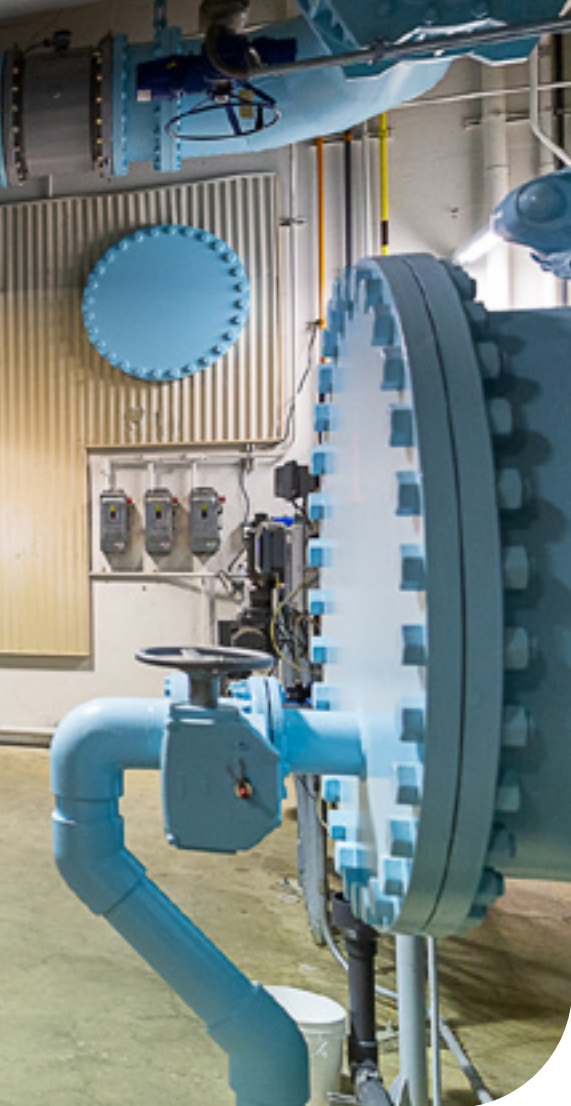


**24,000+**  
Valves



**758**  
Water Main Miles

## WATER SERVICES



### 2021 Association of Metropolitan Water Agencies Award

In October, the Association of Metropolitan Water Agencies (AMWA) recognized Anaheim Public Utilities with the 2021 Sustainable Water Utility Management Award for the third year in a row, for its focus on affordable and competitive rates, customer assistance and partnership, and capital project investments. This award highlights the efforts of water utilities implementing long-term and innovative economic, environmental, and social endeavors. For this award, AMWA commended Anaheim Public Utilities for achieving financial effectiveness through maintaining robust liquidity, minimizing long-term obligations, and offering affordable and competitive rates in the midst of a pandemic and increasing water supply costs; utilizing data analytics to optimize decision-making, organizational performance, and capital project investments; and achieving a 30 percent per capita water use reduction in 2021 through its rebate and incentive programs. As a community-owned resource, Anaheim Public Utilities remains committed to serving customers and future generations in an environmentally and socially responsible manner.

## 30%

PER CAPITA WATER  
USE REDUCTION  
IN 2021

### Achievements

- ✓ Maintaining robust liquidity.
- ✓ Minimizing long-term obligations.
- ✓ Offering affordable and competitive rates in the midst of a pandemic and increasing water supply costs.



## WATER SERVICES



### Groundwater Treatment Program

In April, Anaheim Public Utilities recently awarded a design-build construction agreement for Phase A of the Groundwater Treatment Project to address per- and polyfluoroalkyl substance (PFAS) concerns. Design is currently underway, and construction is scheduled before the end of the year at Linda Vista, La Palma, Energy Field, and Boysen Park locations. Phase A is anticipated to be complete by fiscal year 2023, with the planning and awarding for Phase B expected fall 2021. Most capital costs related to groundwater treatment are reimbursable through the Orange County Water District (OWCD), along with approximately half of the ongoing maintenance costs. An open house was held in April at the La Palma Water Complex to invite residents to meet with staff and learn about the project details. Residents were pleased to learn of other site improvements such as a new driveway to access the site from La Palma Avenue that reduces congestion on West Street, undergrounding of power lines that interfere with a new block wall, and a demonstration garden to educate the public on drought tolerant landscaping.

### Linda Vista phase II

Anaheim Public Utilities completed the installation and testing of new pumps, motors, and auxiliary equipment at the Linda Vista Complex, a facility that serves groundwater to the west, central, and east Anaheim areas. The project will improve water service reliability, reduce maintenance requirements, and increase efficiency. The landscaping, paving, and equipment training are currently in progress with project completion expected later this summer.

*“Anaheim Public Utilities recently awarded a design-build construction agreement for Phase A of the Groundwater Treatment Project ”*

## WATER SERVICES



### Water System Increased Reliability

Anaheim Public Utilities continues to target and replace its aging infrastructure to ensure the reliability of water services for the community. During the reporting period, Anaheim Public Utilities replaced approximately 5,600+ feet of water mains along State College Blvd. in conjunction with a major sewer system replacement project, and Olive St., from Commercial St. to Patt St., and 53 water valves citywide. These replacements enhance service reliability, reduce future maintenance costs, and decrease the likelihood of future equipment failure.

Anaheim Public Utilities experienced 4.9 main breaks per 100 miles of pipeline meeting its reliability goal by remaining 40% below the national average of 8 main breaks per 100 miles. In the coming years, Anaheim Public Utilities plans to continue to ramp up the replacement of infrastructure through innovative contracts and partnerships.

### Urban Water Management Plan

In June, Anaheim Public Utilities completed the Urban Water Management Plan which projects and analyzes water demand through various possible scenarios such as supply interruptions, droughts, and conservation requirements. The report indicated Anaheim Public Utilities has sufficient resource supplies to meet demands through 2045. Future plans will include working with regional partners and the community to expand and conserve resources. For more information on the Urban Water Management Plan, see [www.anaheim.net/777/Urban-Water-Management-Plan](http://www.anaheim.net/777/Urban-Water-Management-Plan).

**5,600+**

FEET OF WATER  
MAINS REPLACED

**53**

WATER VALVES  
REPLACED

**40%**

BELOW THE NATIONAL  
AVERAGE OF 8 MAIN  
BREAKS PER 100 MILES



# COMMUNITY RESPONSE

Customer Assistance & Engagement



## COMMUNITY RESPONSE

### Customer Assistance & Engagement



### Covid-19 Emergency Assistance

Beginning in fiscal year 2021, Anaheim Public Utilities offered a COVID-19 Emergency Assistance Program. This program provided customers a one-time bill credit of up to \$250 in electric utility assistance and \$100 in water utility assistance (per household) for those facing a temporary financial hardship, as well as a hiatus of service disconnections.

### Water Smart Landscape Award

Anaheim Public Utilities hosted its seventh annual Water Smart Landscape Award contest recognizing Anaheim residents and businesses for incorporating California-friendly landscapes that promote sustainability and water efficiency. This year, Anaheim Public Utilities recognized a local Pizza Hut restaurant (on Broadway Ave. and Magnolia St.) that boasts a newly transformed landscape with succulent varieties and a dry riverbed that slows storm water runoff and safeguards against erosion. Anaheim Public Utilities also recognized Anaheim resident, Joseph G., for his property that's surrounded with sustainable plant palettes, native grasses, and a permeable decomposed granite groundcover. Altogether, both recognized landscapes contain 7,300 square feet of water-conscious landscaping that's expected to save approximately 321,000 gallons of water annually.

### Online Electric Vehicle Customer Education Program

To help support statewide sustainability goals to reduce vehicle emissions, individuals who visit the Public Utilities website have brand new access to innovative features. These include:

- ✓ Tools for comparing the total cost ownership of new and used electric cars against traditional gas-fueled cars
- ✓ Exploring potential electric vehicle (EV) incentives and tax credits from Federal, State, and Anaheim programs
- ✓ Locating charging stations in the City of Anaheim



## COMMUNITY RESPONSE

### Customer Assistance & Engagement



### Holiday Light Exchange

In December, more than 200 attendees experienced Anaheim Public Utilities drive-thru Holiday Light Exchange. During the event, energy-efficient LED holiday lights were distributed at no cost to the Anaheim community. Gift bags were also distributed, which included an LED lightbulb kit, a gift card to local eateries, and solar car kits for students. During the event, over 100 toys were also collected for local families experiencing difficulties during the pandemic.

### LED HOLIDAY LIGHTS

DISTRIBUTED AT  
NO COST

**200+**  
ATTENDEES

**100**  
TOYS COLLECTED



## LEADERSHIP

## City Council

Led by a mayor, the seven-member council represent our 350,000 residents city-wide. Our leaders identify community needs in their respective district – and mayor at large – to establish city policy and help us deliver safe and reliable service to those we serve.

**Mayor:**

Harry Sidhu

**District 1:**

Jose Diaz

**District 2:**

Gloria Ma'ae

**District 3:**

Jose F. Moreno

**District 4:**

Avelino Valencia

**District 5:**

Stephen Faessel

**District 6:**

Trevor O'Neil, Mayor Pro Tem

## Public Utilities Board

To further engage our community, our council members each appoint a local district representative to work directly with our utility management. This body of Anaheim residents make up the Public Utilities Board.

**At Large:**

Ravnish Bhalla

**District 1:**

AB Abdulrahman

**District 2:**

Anh Pham, M.Ed.

**District 3:**

Vincent Baroldi, Vice- Chairperson

**District 4:**

Norma Campos Kurtz

**District 5:**

Mitch Lee

**District 6:**

John Seymour, Chairperson

Anaheim Public Utilities  
Management

With the help of city leadership and resident representatives, the Anaheim Public Utilities management team turns need into action. This group of seasoned utilities and management professionals maintain our systems, develop programs to educate our community, and continue to provide sustainable, safe, and low cost energy and water.

**Dukku Lee**

General Manager

**Janet Lonneker**

Assistant General Manager,  
Electric Services

**Brian Beelner**

Assistant General Manager,  
Finance and Energy Resources

**Michael Moore**

Assistant General Manager,  
Water Services

**Janis Lehman**

Interim Assistant General Manager,  
Administration and Risk Services

**Melinda Avelino-Walker**

General Services Manager



# FINANCIALS



## Financial Report

Click Below to Access

Electric Utility Fund

Water Utility Fund



**ANAHEIM**  
PUBLIC UTILITIES

**ANAHEIM WEST TOWER**  
201 S. Anaheim Blvd.  
Anaheim, CA 92805

**714-765-3300**  
[anaheim.net/utilities](http://anaheim.net/utilities)