



Anaheim Public Utilities

ANNUAL REPORT 2020

Anaheim Owned, Anaheim Focused



2020



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) contaminants, 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. Nonessential 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 together.

Dukku Lee

Anaheim Public Utilities, General Manager



COVID-19



2020

COVID-19

Customer Assistance & Engagement

Activity Care Packages:

Created and sent more than 100 activity kits to students in the community after the COVID-19 pandemic resulted in school closures. The kits contained a number of fun and educational activities for families to keep busy and enjoy together.

First Responders Thank You Kit:

Provided more than 200 LED lighting kits to frontline workers in the community to show support. Each kit included a thank you note featuring student-created art, along with various energy efficient devices for their homes.

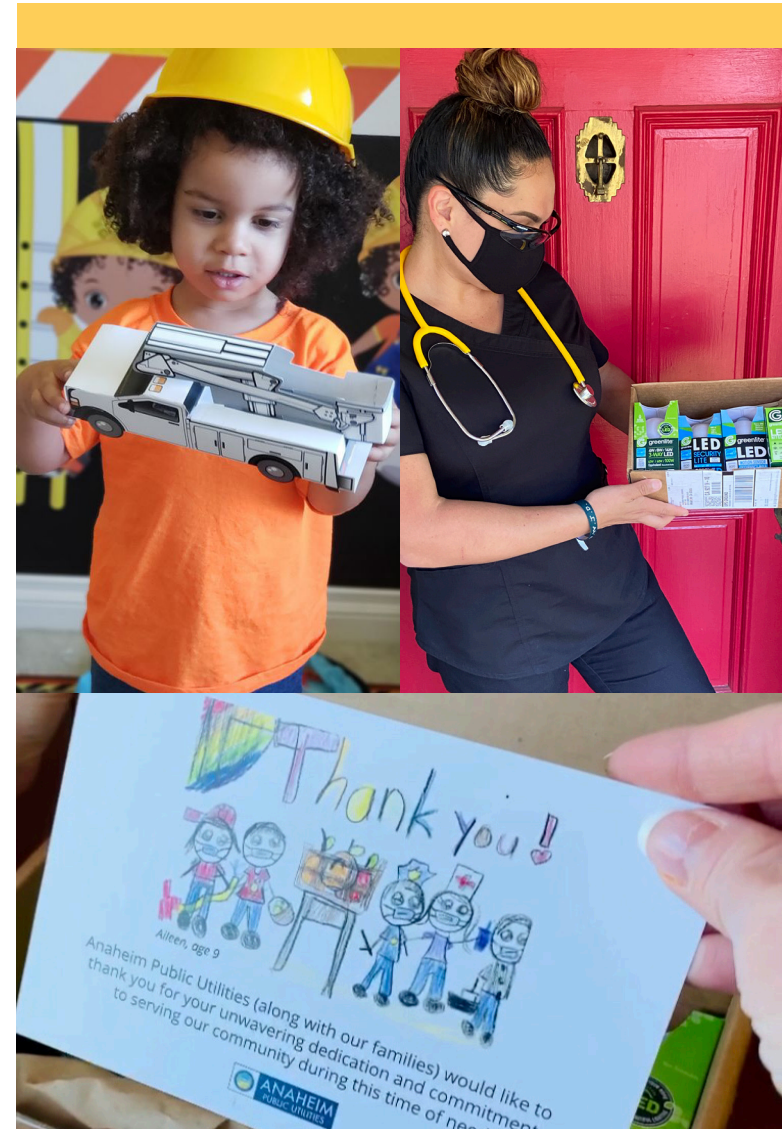
Customer Relief:

Financial assistance on electric and water utility bills was implemented.

- » Emergency Assistance: Up \$350 per qualifying household.
- » LIHEAP: Federal electric bill assistance (amount vary), and additional CARES Act funds allowed customers to receive higher amounts.
- » Reduction of the customer charge on electric bills.

Income Qualified Internet Access Rebate:

Launched the Internet Access Rebate Program to offer Anaheim families, who have been impacted by COVID-19 and are now either working from home or distance learning, financial assistance of up to \$120 towards home internet costs. The program was funded by the CARES Act.



> Customer Assistance



SUSTAINABILITY

COVID-19 SUSTAINABILITY ELECTRIC WATER LEADERSHIP FINANCIALS



2020

Sustainability



Sustainable Schools Award:

- ▶ Anaheim Public Utilities launched its first Sustainable Schools Award to recognize Anaheim schools for their commitment to water and energy conservation.
- ▶ Awarded to Baden-Powell Elementary School and Katella High School for their accomplishments and provided each school with 30 ENERGY STAR® laptops and a charging cart.
- ▶ Baden-Powell Elementary School was selected for its strides in energy efficiency. They installed 31 high efficiency network controlled HVAC units, 630 LED light fixtures, 8 high efficiency transformers, 59 plug load power management devices, a solar shade structure, hosted a science event for junior high school students, generated thousands of dollars in electrical savings, and implemented new sustainability programs, including a new STEM component for teachers and students.
- ▶ Katella High School was selected for accomplishments that include establishing a water reclamation site, installing LED light fixtures, constructing an agricultural area featuring two green houses, creating an aquaponics garden, generating thousands of dollars in electrical savings, and implementing a sustainability curriculum.



Sustainability

Arbor Day Recognition:

The Arbor Day Foundation recognized Anaheim Public Utilities as a Tree Line USA recipient, awarded to agencies who deliver clean and reliable energy while building a greener community. Through the Anaheim Public Utilities Tree Power program, residents and businesses can receive up to six shade trees at no cost. Since the start of this program in 1992, Anaheim Public Utilities has planted approximately 56,000 shade trees throughout Anaheim to help customers conserve energy and save money on their utility bills.

Greenhouse Gas Reduction Plan:

We updated our Greenhouse Gas Reduction Plan to outline the pathway to a more sustainable future by investing in cleaner power resources and promoting various projects ranging from energy-efficient facility and equipment upgrades, to customer incentive programs and outreach events. As part of our research and outreach efforts, we engaged local high school students to join the conversation and provide us with their vision of Anaheim’s sustainable future.

Canyon High School EV Presentation:

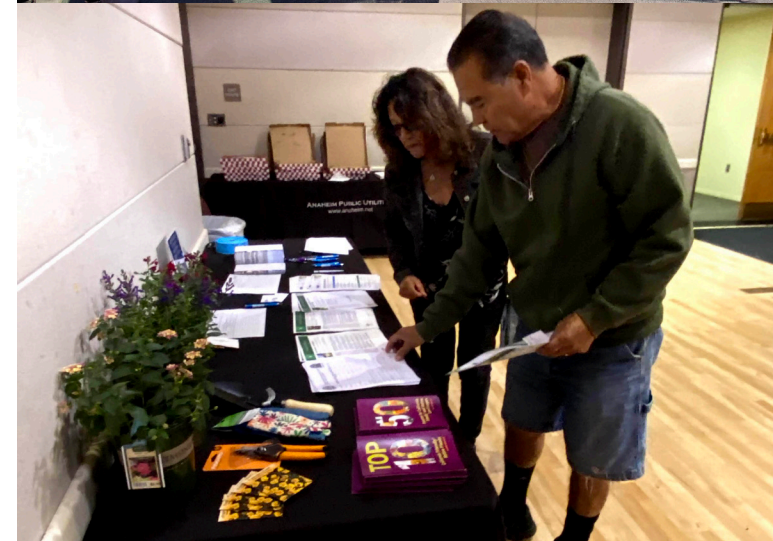
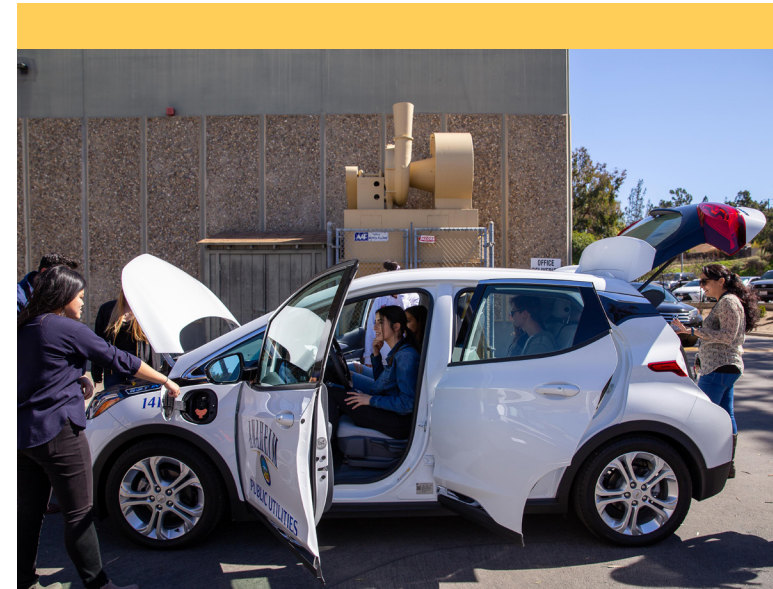
We piloted the first electric vehicle (EV) school presentation geared towards high school students to encourage EV adoption. The students of Canyon High School learned about green transportation and EVs, and analyzed the environmental effects of different methods of transportation. During the visit, students also weighed the costs and benefits of various hybrid and electric vehicles, explored EV related careers, and had the opportunity to examine EVs up close.

2020 AMWA Sustainable Water Utility Management Award:

The Association of Metropolitan Water Agencies (AMWA) awarded us the Sustainable Water Utility Management Award, which recognizes public utilities organizations that implement long-term and innovative economic, environmental, and social water programs.

American Public Power Association:

Anaheim Public Utilities was recognized by the American Public Power Association for two sustainability projects. The Greenhouse Gas Plan was awarded an Award of Merit in Print & Digital and our Green Clean Community webpage received an Award of Excellence in Web & Social Media.



Sustainability



ELECTRIC SYSTEM

COVID-19 SUSTAINABILITY ELECTRIC WATER LEADERSHIP FINANCIALS



2020

Electric System



ELECTRIC SYSTEM

COVID-19 SUSTAINABILITY ELECTRIC WATER LEADERSHIP FINANCIALS

> Electric System

121,000+
Electric Meters

11,000+
Transformers

1,100+
Power Lines

14
Substations





ELECTRIC HIGHLIGHTS

- > **Street Lights:** More than 4,600 LED lights were installed and replaced during FY 2020. Sixty one percent of Anaheim's 21,000 streetlights have been converted to efficient LEDs, improving the quality of life for Anaheim neighborhoods.
- > **APPA Reliable Public Power Provider (RP₃):** In May, the American Public Power Association recognized Anaheim Public Utilities as a Platinum Level Reliable Public Power Provider (RP₃). This three-year designation honors utilities that demonstrate high proficiency in reliability, safety, workforce development, and system improvement. Of the 2,000 public power utilities nationwide, only 274 currently hold the RP₃ designation.
- > **National Safety Council:** Anaheim's electric services division was recognized with the Industry Leader Award in 2020 for excellent safety performance.
- > **Wildfire Safety Plan:** Anaheim updated its Wildfire Safety Plan, which was recognized by the California Wildfire Safety Advisory Board as having key elements that exemplified best industry practices. Wildfire safety cameras, undergrounding next to high Fire Threat Zones, risk mitigation modeling, and vegetation management were some of the highlights of the plan adopted by City Council and reviewed by an independent third party.



Electric Systems



2020

Water System



Water System

64,000+
Water Meters

7,800
Fire Hydrants

23,000
Valves

754 miles
Water Mains



WATER HIGHLIGHTS

- › **Hydrant & Valve Maintenance Goal:** Anaheim Public Utilities met our three-year service goal of 7,800 hydrants and 23,000 valves to maintain good water system performance.
- › **Completion of Lenain and Walnut Canyon Reservoir:** Rehabilitation upgrades at the Lenain Water Treatment Plant and Walnut Canyon Reservoir were completed to replace aging infrastructure, increase treatment capacity, and improve safety and security.
- › **Groundwater Treatment Program:** Pilot testing was completed to identify ion exchange as the preferred method for groundwater treatment facilities. Plans are now underway to select a design-build entity to implement the first phase of the program.
- › **Income Qualified Water Leak Repair Rebate Program:** Anaheim Public Utilities launched the Income Qualified Leak Repair Program to provide residents with a rebate to help offset costs of repairing leaks. Eligible customers received up to \$250 to make plumbing repairs.
- › **10% Water Discount:** Implemented a 10% water discount for seniors, veterans, and those with disabilities who meet income level qualifications.



Water System

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:

Jordan Brandman

District 3:

Jose F. Moreno

District 4:

Avelino Valencia

District 5:

Stephen Faessel, Mayor Pro Tem

District 6:

Trevor O’Neil

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:

Rodolfo Gaona

District 3:

Vincent Baroldi

District 4:

Norma Campos Kurtz

District 5:

Ernesto Medrano, Chairperson

District 6:

John Seymour, Vice 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



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Financial Report

Click Below to Access

[Electric Utility Fund](#)

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Financials