

**DRAFT MINUTES OF THE REGULAR MEETING
CITY OF ALAMEDA PUBLIC UTILITIES BOARD MEETING**

March 20, 2017

1. ROLL CALL

President McCormick called the meeting to order at 7 p.m. On roll call, the following commissioners were present: Deaton, Giuntini, Keimach, McCormick and Serventi.

2. ORAL COMMUNICATIONS – NON AGENDA (Public Comment)

None.

3. SPECIAL PRESENTATION

None.

4. CONSENT CALENDAR

A1. Minutes – Special Meeting – February 2017

A2. Minutes – Regular Meeting – February 2017

B. Listing of Bills Paid – February 2017

C. Financial Report – January 2017

D. Treasurer’s Report – February 2017

E. Authorize the General Manager to Purchase One Single Reel Cable Trailer in an Amount Not-to-Exceed of \$30,000 from Felling Trailers, Inc.

F. By Resolution, Commend Cindy Kern for Her Long and Distinguished Service to Alameda Municipal Power

G. By Motion, Authorize the General Manager to Amend the Current Agreement PS 05-16-01 with Quest, Inc. by \$17,000 for a Total Amount not to Exceed \$53,000

The Board unanimously approved the consent calendar.

5. AGENDA ITEMS

A. For Information Only, Update on the Underground Utility District (UUD) Program

Following a staff presentation, Commissioner Serventi said the District Nominating Board (DNB) pared down the number of prospective projects by closely following the city's guidelines for undergrounding projects. The DNB started its process by examining 53 different areas, and ultimately recommended seven of them.

One of the DNB's biggest concerns was that it would take too long to get the undergrounding projects underway, Commissioner Serventi said.

Commissioner Deaton asked staff about the processes of completing the seven undergrounding projects and setting up the next DNB.

Staff responded that AMP will not wait until it has completed construction of all the projects on the list before it begins the process of starting a new list of areas with a new DNB.

In an effort to avoid delays, Commissioner Deaton encouraged staff not to wait until the completion of construction of the list before starting a new list with a new DNB.

President McCormick praised Commissioner Serventi for his prior service as the chair of the District Nominating Board.

B. Approve Alameda Municipal Power's 10-Year Energy Efficiency Target as Required by AB 2021

The commissioners complimented staff on the thoroughness of the presentation of energy efficiency targets for fiscal years 2018 through 2027, as required by state law AB 2021.

Commissioner Deaton commented on the topic of Proposition 26 in the context of energy efficiency programs for multi-family/low-income customers. She asked staff the following: Because AMP's renewable energy credit (REC) sales are not a direct charge back to customers like AMP's fees, is there legal allowance to use REC funds on programs that are directed to some – not all – of the utility's customers?

General Manager Procos said he was not aware of any utilities that have run into Prop. 26 issues with energy efficiency programs.

Assistant City Attorney Alan Cohen said he has been looking into this nuanced issue and will get back to the Board with more information.

President McCormick said that AMP should view the AB 2021 targets as a minimum goal for pursuing energy efficiency savings.

With a motion from Commissioner Deaton and a second from Commissioner Serventi, the Board unanimously approved the 10-year energy efficiency targets.

C. Presentation of the 10-Year Financial Pro Forma Model – Information Only

Following a staff presentation, City Manager Keimach asked staff why AMP uses the benchmark of 145 days of cash reserves. She asked if setting 145 days' worth of cash reserves was a practice at other utilities.

When AMP issued bonds in 2010, staff worked with financial advisor on the financial policies the Board adopted, staff said. The financial advisor examined the length of time set for cash reserves at other publicly owned utilities, staff said, and the measure of 145 days was used in the context of AMP's bonds.

City Manager Keimach asked whether it would be prudent for AMP to look at that number in light of the utility's declining revenue.

Staff said that AMP could come back with a financial advisor and review the policy in light of the days of cash reserves.

President McCormick said she was looking forward to the Board's detailed budget discussion on April 17.

Commissioner Deaton commented that the projections for several years call for an average 5 percent rate increase, which is the highest amount the Board has previously said it will accept.

6. GENERAL MANAGER'S REPORT

A. General Manager's Report – February 2017

General Manager Procos told the Board that AMP is a leading utility, among its fellow Northern California Power Agency members, to implement smart meters. He also announced that a new AMP employee, James Dorrance, joined the Energy Resources team.

7. COUNCIL COMMUNICATIONS

City Manager Keimach said there were no updates, other than noting that there have been a number of referrals.

8. BOARD COMMUNICATIONS

None.

9. ORAL COMMUNICATIONS – NON-AGENDA ITEMS

None.

10. ADJOURNMENT

President McCormick adjourned the meeting at 8:30 p.m.

