

**DRAFT MINUTES OF THE REGULAR MEETING
CITY OF ALAMEDA PUBLIC UTILITIES BOARD
April 17, 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, McCormick, Serventi and City Manager Keimach.

2. ORAL COMMUNICATIONS – NON AGENDA (Public Comment)

None.

3. SPECIAL PRESENTATION

None.

4. CONSENT CALENDAR

A. Minutes – Regular Meeting – March 2017

B. Listing of Bills Paid – March 2017

C. Financial Report – February 2017

D. Treasurer’s Report – March 2017

E. By Motion, Authorize the General Manager to Enter a Four Year Lease Agreement with One Source Office Systems through Great America Financial Services for the Lease of Four Multi-Function Copy Machines for a Total Not to Exceed \$120,000

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

G. Authorize Staff to Sell the Banked Low Carbon Fuel Standard Credits Allocated by the California Air Resources Board to Alameda Municipal Power for 2015 and 2016; and, Delegate to AMP’s General Manager, or His Delegate, Authority to Negotiate and Execute Necessary Agreements to Accomplish the Transaction

H. By Motion, Accept the Work Performed by Osmose Utilities Services, Inc. for the Inspection, Testing, and Preservative Treatment of Wood Poles Under Contractor Agreement CS 06-16-05.

The Board unanimously approved the consent calendar.

5. AGENDA ITEMS

A. By Resolution, Approve Changes to Rate Schedules and Riders for FY 2018

Commissioner Deaton voiced concern that the change in the Eligible Renewable Generator (ERG) rate is substantial and the level of outreach may have been inadequate. President McCormick shared Commissioner Deaton's concerns and there was general discussion about how the rate was developed and passed in 2016.

General Manager Procos agreed that ERG rate is a sensitive topic and discussed AMP's timeline for publishing agenda items for public review. Procos further cautioned the Board that if AMP starts a trend of additional outreach on certain items, will they then start making exceptions for other items that come before the Board.

President McCormick suggested as a topic of discussion the possibility of holding the ERG rate at the same level for one year; however, she noted this was not a proposal. Commissioner Serventi expressed his openness to the possibility, noting that people are not ready to see a change yet.

As a side note, Commissioner Deaton stated that she agreed with the proposal to lower compensation under the Net Energy Metering (NEM) plan. President McCormick conveyed her agreement with this change as well.

Commissioner Serventi stated the importance of ensuring that ERG customers understand how the ERG is calculated and that it will likely change in future years.

City Manager Keimach cautioned the Board that if the ERG rate is delayed this year, it could result in an even larger reduction in the following year.

Discussion then turned to the overall rate proposal and the move to cost of service. Although concern was expressed for those residential customers who are high users and would therefore see a higher increase, the Board expressed general agreement for the proposal. President McCormick expressed the need for public communications emphasizing AMP's energy-efficiency and low-income programs.

General Manager Procos offered that after the installation of smart meters is completed in December 2017, AMP will have much more data to fine tune and new rate structures may be proposed.

Commissioner Deaton noted that AMP is moving toward a higher fixed rate versus a volumetric one. President McCormick shared that this trend is growing in California and around the nation as utilities grapple with declining loads.

Commissioner Serventi stated that more needs to be done to educate customers about fixed costs and the difference paid in rates between commercial and residential customers.

City Manager Keimach agreed with Commissioner Serventi and requested staff to provide all comments received on the rates at a future meeting.

Commissioner Deaton declared she was still not comfortable with the reduction in the ERG rate and asked if a later implementation date would be possible.

Staff conferred with the assistant city attorney and proposed removing this item from the overall rate approval so it could be brought back at the next meeting once staff has had adequate time to review the original approval documents.

With a motion from Commissioner Deaton and a second from Commissioner Serventi, the Board unanimously approved changes to the FY 2018 rate schedule with the exception of the proposed ERG compensation, which will be brought back to the Board at its May 2017 meeting.

6. GENERAL MANAGER'S REPORT

A. General Manager's Report – March 2017

General Manager Procos noted that there were four outages on April 7 due to the storms and went on to commend the crews for their work restoring power in a timely manner. He also shared that the Court of Appeals upheld the California Cap & Trade program; however, the decision is being challenged.

7. COUNCIL COMMUNICATIONS

City Manager Keimach shared news about Site A development issues, noting that the developer is currently in default and has 120 days to get financing in order. She also mentioned recreational cannabis, and how it could add significant electric load and tax revenue.

8. BOARD COMMUNICATIONS

None.

9. ORAL COMMUNICATIONS – NON AGENDA (Public Comment)

None.

10. ADJOURNMENT

President McCormick adjourned the meeting at 8:10 p.m.