

DRAFT MINUTES OF THE SPECIAL MEETING
CITY OF ALAMEDA PUBLIC UTILITIES BOARD MEETING

April 23, 2018

1. ROLL CALL

President McCormick called the meeting to order at 4 p.m. On roll call, the following commissioners were present: President McCormick, Commissioner Serventi, Commissioner Giuntini and Commissioner Deaton. Acting City Manager Liz Warmerdam arrived at 4:21 p.m.

2. ORAL COMMUNICATIONS – NON AGENDA (Public Comment)

AMP employees Buddy Leitz, Brian Darnell and John Cuellar dedicated their speaking time to Al Fortier, the representative of the International Brotherhood of Electrical Workers (IBEW) 1245.

Mr. Fortier spoke in support of IBEW members at AMP, citing his concerns about the meter service tech position and classification.

3. SPECIAL PRESENTATION

None.

4. CONSENT CALENDAR

None.

5. COUNCIL COMMUNICATIONS

None.

6. AGENDA ITEMS

A. Budget Workshop 2018

General Manager Procos introduced the budget workshop and said the new strategic plan will include AMP's plan to be carbon neutral in 2020. He also announced that AMP's smart meter installations went according to plan.

Regarding pro forma financial data, projections continue to look good for the 10-year planning horizon, General Manager Procos said.

Staff then delivered a detailed presentation of the proposed fiscal year 2019 budget.

AGENDA ITEM NO.: 4.A1.2
MEETING DATE: 05/21/2018

President McCormick asked questions about California Senate Bill 1 (SB1) payouts to customers. Staff responded that VF Outdoor didn't perform quite as well, so their check wasn't as high. The disbursements of a remaining pot of about \$280,000 will go to other qualifying customers in the coming months, staff said.

Commissioner Laura Giuntini asked clarifying questions about items on slide 11 of the staff presentation.

President McCormick asked for clarification regarding AMP's three vacancies. Staff responded that there are vacancies due to retirements.

President McCormick said the intention is for AMP to fill vacant positions as expediently as possible. In response, staff said that recruitment could take a little time.

In light of changes due to customer expectations, technology, and branding, General Manager Procos said that AMP is evaluating positions as they become open. Some positions will remain the same and others might need to be adjusted, he said. The process of adjusting positions takes time.

Commissioner Deaton asked clarifying questions about infrastructure expenses at Site A and other sites. In response, staff said they would seek Public Utilities Board (PUB) approval soon regarding the item of additional cable, which could potentially be used in new development for reliability purposes. The expenses may get billed out to the developer at a later date, staff said.

Commissioner Serventi asked whether the equipment will be moved underground.

General Manager Procos said that AMP would follow its rules and regulations for new development. There may be an occasional need to have short or temporary overhead lines, but AMP will prioritize undergrounding, he said.

Commissioner Serventi asked whether there was a schedule yet for Site A. AMP is in meetings with the developer, staff said.

The PUB then moved into a discussion on the Customer Resources Division's initiatives. Commissioner Giuntini asked whether the customer portal will allow customers to auto-schedule payments.

Staff responded that with auto-pay, there are some issues with credit cards. However, billing features will appear on the portal, staff said.

The PUB then discussed the Energy Resources Planning division's work.

AGENDA ITEM NO.: 4.A1.3
MEETING DATE: 05/21/2018

President McCormick highlighted the importance of using AMI data to better understand the electrification of the transportation sector and to provide offerings to customers.

Commissioner Serventi asked whether AMP would have enough staff to analyze the increasing amount of data it will gain from AMI.

Staff responded that the Energy Resources Planning group will bring on two interns. In addition, the Engineering team will procure software to analyze the data, staff said.

Acting City Manager Warmerdam asked: How are we modeling and budgeting for the transmission charges that are growing year after year?

Staff noted that the Energy Resources Planning group will be researching solutions such as a local solar option that would help avoid high transmission costs.

General Manager Procos said there is ongoing engagement, through AMP's partnership with NCPA, on transmission cost issues.

Acting City Manager Warmerdam asked for details on the Engineering and Operations division's plans regarding an asset management system and system design.

Staff provided information about software packages that could use the AMI data. Staff will be evaluating whether to use an asset management tool to do things such as notifying AMP of equipment that needs maintenance.

Acting City Manager Warmerdam said she was happy to hear that AMP is exploring an asset management tool.

Commissioner Deaton asked whether staff was referring to saving money through proactive management of fixed and moveable equipment. Staff responded that it would not just save money, but make the operation more reliable.

President McCormick said there is a need to coordinate with the city on any other asset management initiatives to ensure that systems can communicate with each other.

Turning to the topic of AMP's Administration division, Commissioner Serventi congratulated staff on AMP's credit rate increase and asked whether Fitch Ratings suggested actions AMP could take to continue to improve.

There are a number of goals, staff said, such as comparing AMP's bond ratios and cash with similar utilities. The Fitch team also wants to see some load growth, and rate increases are important to them. Fitch is very happy with AMP's pro forma, staff said.

Acting City Manager Warmerdam asked about AMP projects that may go to the City Council.

General Manager Procos said the City Council has final approval of the underground utility districts. Staff's plan is to bring the item to the PUB, and then schedule it for a City Council meeting, he said.

Commissioner Serventi asked staff about the strategic planning process. In response, General Manager Procos said there are two more strategic planning meetings – one external session and one internal session.

Staff will work on finalizing the documents, General Manager Procos said, and plans to bring a draft to the PUB for discussion around November. At that point, staff will gather the feedback and finalize the document for final approval, he said.

Commissioner Serventi asked whether the PUB would be updated on the local generation proposal. General Manager Procos confirmed that the PUB would receive an update.

7. BOARD COMMUNICATIONS

None.

8. ORAL COMMUNICATIONS – NON-AGENDA ITEMS

Alameda resident Misao Brown raised concerns about the ability of low-income seniors to afford AMP rates.

President McCormick said that AMP offers energy efficiency services that can help customers lower their bills.

9. ADJOURNMENT

President McCormick adjourned the meeting at 5:50 p.m.