



NOTICE OF SPECIAL MEETING
CITY OF ALAMEDA PUBLIC UTILITIES BOARD

Alameda Municipal Power Service Center
2000 Grand Street, Conference Room A/B
(Corner of Clement Avenue)
Alameda, CA 94501

Monday, April 19, 2021 at 4:30 P.M.

Notice: Due to Governor Executive Order N-29-20, Board members can attend the meeting via teleconference. Members of the public can follow the meeting via web (<https://bit.ly/3rjcOC1>) and teleconference (+1 510-358-3865 Conference ID: 568 579 362#) and address the Public Utilities Board during the meeting via email (pub@alamedamp.com) or via live comments during the web/teleconference. For those participating via the web application, attendees can use the raise hand icon to indicate they are requesting the opportunity to make live comments. For those attendees who are calling in via telephone only, the Clerk will advise them when to unmute themselves. Comments submitted during the meeting will be read into the record (subject to speaker time limits). Comments submitted prior to the meeting will be included in the meeting record. Comments submitted through the Microsoft Teams meeting chat window will not be monitored. Any requests for reasonable accommodations from individuals with disabilities should be made by contacting Alameda Municipal Power at wise@alamedamp.com.

The Alameda Municipal Power Service Center will be NOT be open to the public during the meeting.

1. ROLL CALL
2. ORAL COMMUNICATIONS - NONAGENDA (PUBLIC COMMENT)
Members of the public are invited to address the Board on any subject related to the activities of Alameda Municipal Power not otherwise appearing on the Agenda.
3. SPECIAL PRESENTATION
4. CONSENT CALENDAR
Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Board or a member of the public.
5. AGENDA ITEMS
 - 5.1. A. Budget Workshop

Documents:

[FY22 BUDGET PRESENTATION.PDF](#)

6. GENERAL MANAGER'S REPORT
7. COUNCIL COMMUNICATIONS
8. BOARD COMMUNICATIONS
9. ORAL COMMUNICATIONS - NON AGENDA (PUBLIC COMMENT)
Members of the public are invited to address the Board on any subject related to

the activities of Alameda Municipal Power not otherwise appearing on the Agenda.

10. ADJOURNMENT

- Each member of the public who wishes to speak is afforded up to 5 minutes per agenda item, which may be increased or limited by the presiding officer.
- Sign language interpreters will be available on request. Please contact Hayley Wise at 748-3908 or 522-7538 (TDD number) or [EMAIL](#) at least 72 hours before the meeting to request an interpreter.
- Accessible seating for persons with disability (including those using wheelchairs) is available.
- Minutes of the meeting are available in enlarged print.
- Audiotapes of the meeting are available upon request.
- Please contact Hayley Wise at 748-3908 or 522-7538 (TDD number) or [EMAIL](#) at least 72 hours prior to the meeting to request agenda materials in an alternative format, or any other reasonable accommodation that may be necessary to participate in and enjoy the benefits of the meeting.

Documents related to this agenda are available for public inspection and copying at Alameda Municipal Power's Service Center – 2000 Grand Street during office hours.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils and other agencies of the City of Alameda exist to conduct the citizen of Alameda's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the sunshine ordinance or to report a violation of the ordinance, contact the Open Government Commission:

- 2263 Santa Clara Avenue
Room 380
Alameda, CA, 94501
- Phone: 510-747-4800
- Fax: 510-865-4048
- [EMAIL CITY CLERK LARA WEISIGER](#)

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

[Section 2-91.13 (d) - Sunshine Ordinance]

11. ELECTION OF OFFICERS

Finance & Budget Planning Workshop

April 19, 2021

Management Introduction

(Nicolas Procos)

Overview

- Management Introduction
- FY2022
 - Financial Highlights
 - Division Highlights
 - Customer Resources
 - Energy Resources Planning
 - Engineering & Operations
 - Administration
- Next Steps

STRATEGIC PLAN →

Advancing our tradition of community ownership and sustainability to power the needs of a 21st century Alameda.



SUSTAINABILITY

Improve bottom line environmental performance to support sustainable Alameda.

Maintain 100% renewable resources by 2030.

Identify opportunities in the integration of the distribution system and reduce GHG emissions.



CUSTOMER EXPERIENCE

Increase value to the community through meaningful programs and services, positive customer interactions, and building the brand.

Define and promote our brand to improve awareness and value.

Build an employee culture that consistently promotes value and principles of public power and customer service.

Maximize opportunities to meet customer needs and improve engagement.



BUSINESS RESILIENCY

Maintain competitiveness and financial performance by utilizing sustainable resources and operational excellence.

Develop a utility asset management plan.

Develop financial planning processes that provide fiscal stability, linking service priorities with associated costs.

Ensure quality, efficiency, and knowledge transfer by documenting standard operating procedures.

Implement succession plans that ensure continuity of operations.



TECHNOLOGY

Optimize technology to meet the evolving business environment.

Update technology roadmap to guide our technology-related investments and decisions.

Leverage AMI system to enhance the customer experience, operations, financial forecasting, and marketing.

Develop a training plan that supports effective technology adoption, improves utilization, and enables an adaptable workforce.



WORKFORCE

Attract and retain employees while fostering a collaborative culture adapting to changing trends.

Develop a talent strategy plan that highlights benefits and opportunities for working at AMP to attract talent pool for positions and ensure needed staff.

Design a training and development model to enhance employee satisfaction.

KEY PERFORMANCE INDICATORS



SUSTAINABILITY

- Achieve 100% clean-energy portfolio by 2020 and maintain that percentage in the future while remaining in a competitive position.
- Be in top 3 of similarly sized public utilities in California for percent of residential customers receiving EV and energy efficiency rebates.



CUSTOMER EXPERIENCE

- Increase awareness of customer programs and brand by 5% year over year.
- Maintain 90% top two scores on customer satisfaction survey.



ASSET RESILIENCY

- Account accurately for 100% of critical assets in asset management inventory by 2021.
- Maintain rates at 15% or more below PG&E, and 10% or more below local CCAs.
- Document and streamline 100% of critical processes by 2021.



TECHNOLOGY

- Increase the number of customers accessing information in AMP Account Management Tool by 5% year over year.
- Train 100% of staff in applicable technologies for their position by 2020.



- Improve employee satisfaction survey top two scores by 5% year over year.
- Increase number of qualified applicants for critical open positions by 25% by 2020.

Select Pro Forma Data

Fiscal Year	Rate \leq 5%	Debt Coverage $>$ 1.75	Cash Reserves \sim 145 Days
2022	0.00%	1.76*	271*
2023	2.00%	1.83	259
2024	2.00%	2.39	233
2025	2.00%	2.68	224
2026	2.00%	2.86	212
2027	2.00%	2.09	191
2028	2.00%	2.74	181
2029	2.00%	3.85	174
2030	2.00%	4.25	170
2031 ⁽¹⁾	2.00%	NA	187

(1) 2010 A/B Bonds fully redeemed by 2031, no debt coverage ratio required.

(2) * Budget revised from Proforma

What is Driving the Budget

- Zero Rate Increases – Year 2
- Increased power purchase costs
- Increased operating expenses
- Strategic plan initiatives
- Recognition of competitive labor force
- Customer goals, financial assistance, and expectations

Financial Highlights

(Robert Orbeta)

Budget Policy Highlights

- Policy was approved by the Board last year
- General Manager submits proposed operating budget including proposed expenditures and financing means
- Ratepayer comments solicited during regular meetings
- Budget legally enacted through passage of a resolution
- Formal budget integration is a management control device during the year
- Budgets are on a basis consistent with generally accepted accounting principles

FY 2022 Budget: Financial Highlights

- Revenue

- Projections are based on January 27, 2021 Board approved load forecast. An assumption of 0% rate increase for FY2022 Budget.

- Operating Expenses

- Increases in labor are based on bargaining unit contracts. Benefits for all employees are included in administration's budget.
- Purchased power is the largest expense and is approximately \$288k higher than last year
 - Power Purchases from REC and C&T are estimated at \$3.5 million vs. \$2.6 million. For FY 2022, purchased power will not be shown as net but as total power purchase and the reserve purchases will be shown with all other reserve spending

- Non-operating Expenses

- Debt repayment, Pilot/ROI are in line with prior year.
- City Transfer approximately \$4.1 Million

FY 2022 Budget: Capital Projects

- Special Funds (UUD, REC and C&T) Projects:
FY 2022 includes \$3.0 M for the following capital projects:
 - \$1.66 million for Underground Utility Districts (UUD)
 - \$438k for Substation SF6 Breakers replacement & Cable (C&T)
 - \$1.0 M for Doolittle Solar Project (REC)

FY 2022 Budget: Capital Projects (cont.)

Primary projects \$1.87M consisting of:

- New Development ~ \$500k
- Information Systems & Service Center ~ \$1.03M
- System Enhancements ~ \$340k

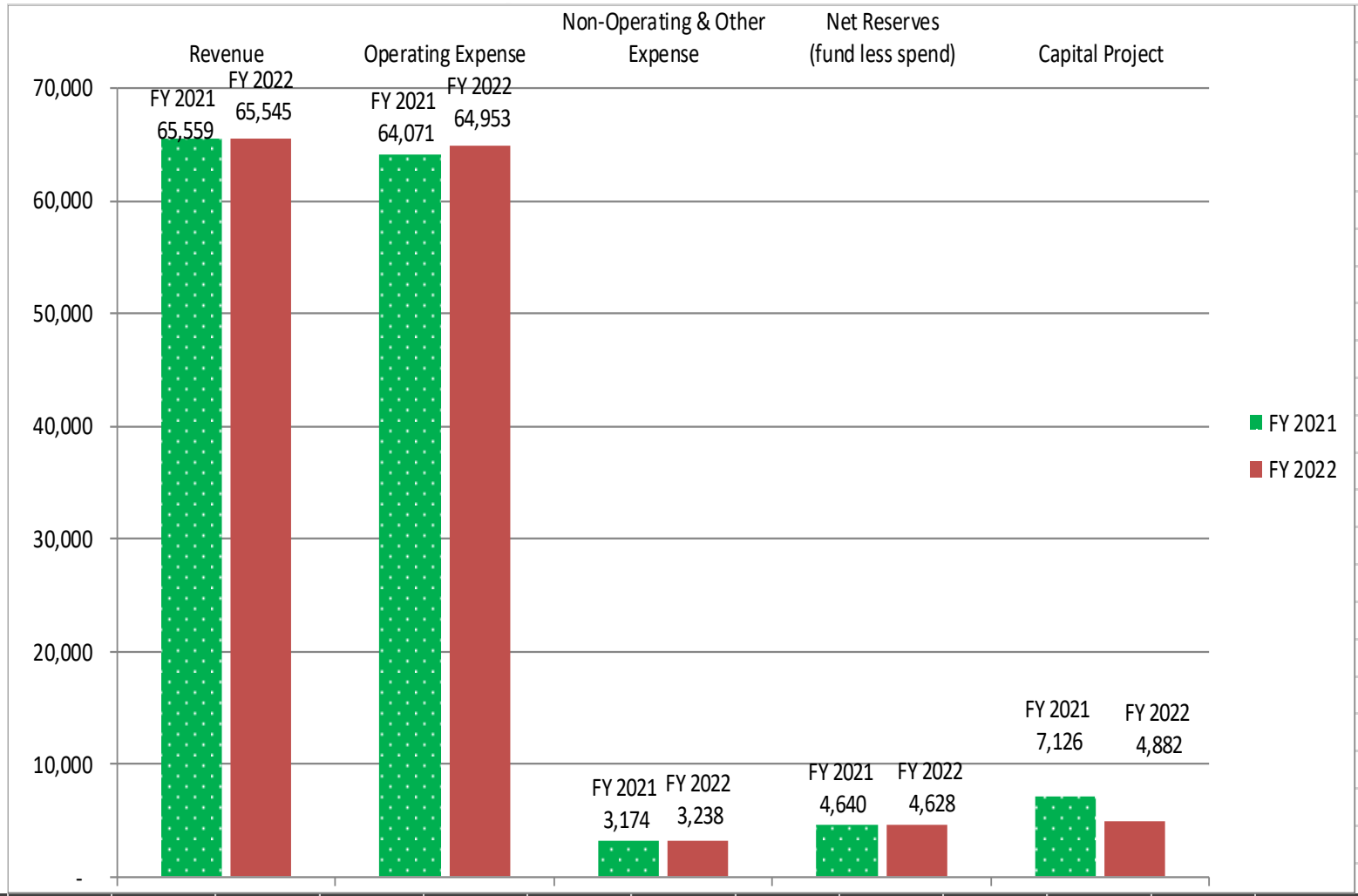
FY2022 Budget: C&T, REC & LCFS Expense

- Budgeted C&T Expenditures = \$3,000,000 for renewable power purchases
- Budgeted LCFS Expenditures = \$497,500 consisting of
 - \$57.5k electricity & maintenance/repairs for EV Charges at AMP service center
 - \$440k EV Charger Rebates for residential and commercial customers and Public Outreach
- Budgeted REC Expenditures = \$1,462,600 consisting of
 - \$544k of SVP renewable power purchases
 - \$187k building electrification for residential and commercial customers
 - \$330k commercial rebates
 - \$400k Low income and residential rebates

FY 2022 Budget: Financial Summary

	FY 2021 Budget	FY 2022 Budget	FY22 - FY21	% Change
REVENUE				
Revenue from Operations	\$62,731,000	\$63,138,100	\$407,100	1%
C&T/LCFS/ REC Net Income	\$2,430,266	\$2,082,196	(\$348,070)	-14%
Non-Operating Revenue	\$397,749	\$325,000	(\$72,749)	-18%
Total Revenue	\$65,559,015	\$65,545,296	(\$13,719)	0%
Reserve Funding	(\$3,685,266)	(\$3,345,196)	\$340,070	-9%
Reserve Spending	\$8,324,882	\$7,973,162	(\$351,720)	-4%
Total Revenue & Reserves	\$70,198,631	\$70,173,262	(\$25,369)	0%
EXPENSES				
Purchased Power <small>(net of REC/C&T)</small>	(\$35,789,485)	(\$36,077,461)	(\$287,976)	1%
Operating Expense	(\$28,281,921)	(\$28,875,066)	(\$593,145)	2%
Non-operating Expense	(\$5,150,625)	(\$5,299,916)	(\$149,291)	3%
Add Back Non-Cash Items	\$3,462,000	\$3,662,000	\$200,000	6%
Debt Principal Payments	(\$1,485,000)	(\$1,600,000)	(\$115,000)	8%
Capital Projects & Eqpt	(\$7,125,807)	(\$4,882,162)	\$2,243,645	-31%
Total Expenses	(\$74,370,838)	(\$73,072,605)	\$1,298,233	-2%
Net Adjustment	(\$4,172,208)	(\$2,899,343)	\$1,272,865	-31%

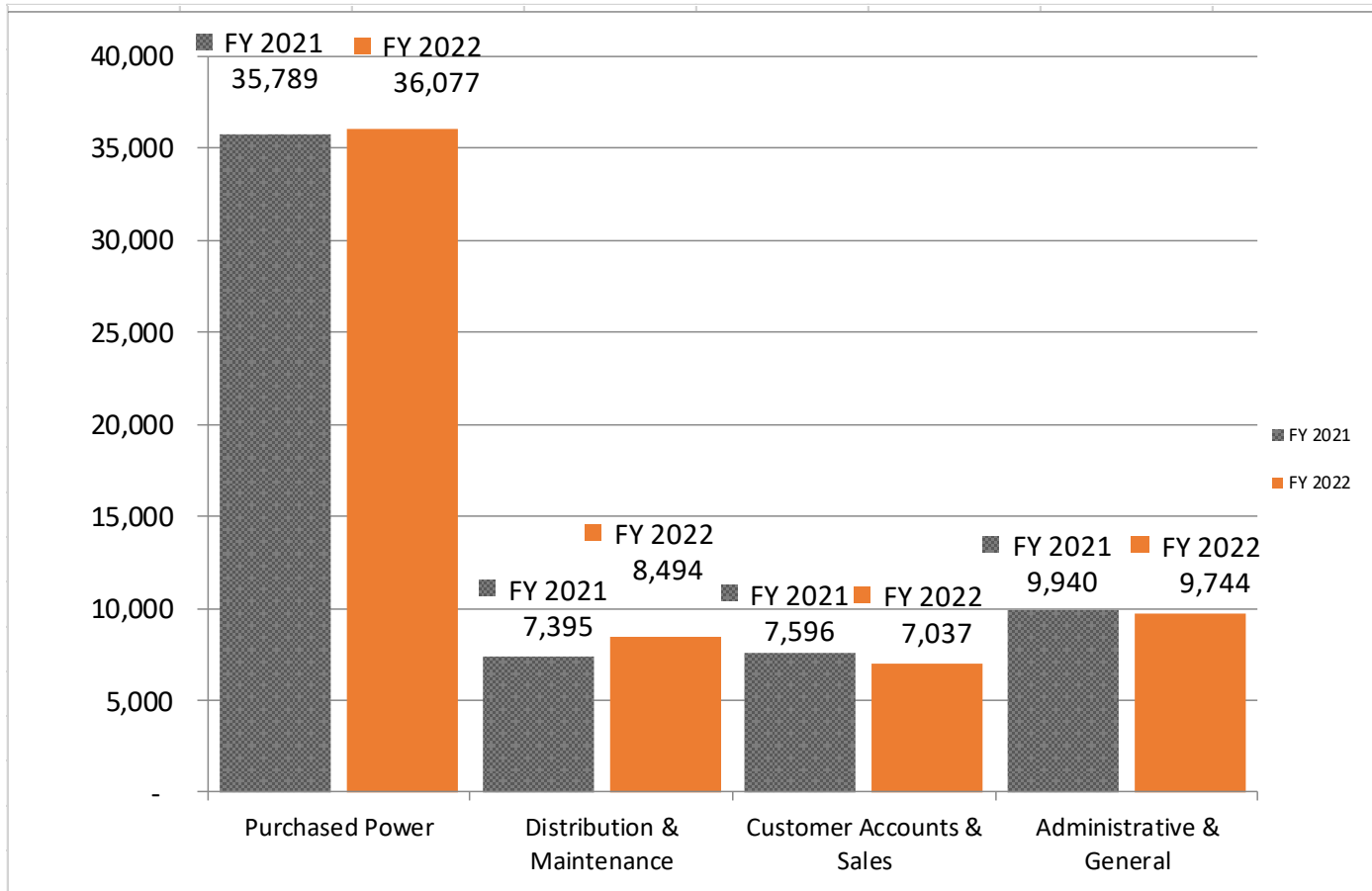
FY2022 Budget Comparison to FY2021 (in Thousands)



FY 2022 Budget Revenue

- Electricity Sales budget is \$63,138,000 or 0.65% higher than last year due to higher sales forecast in residential rate class and zero rate increase
- Underground Utility District program is funded in the Electric budget through rates
- C&T Net Income budget is \$1,082,196 or \$348,070 less than last year's budget
- LCFS Sales Net Income budget is \$1.0 M or same as last year
- UUD, C&T Net Income shall be placed into designated reserve accounts

FY2022 Budget: Operating Expenses (in Thousands)



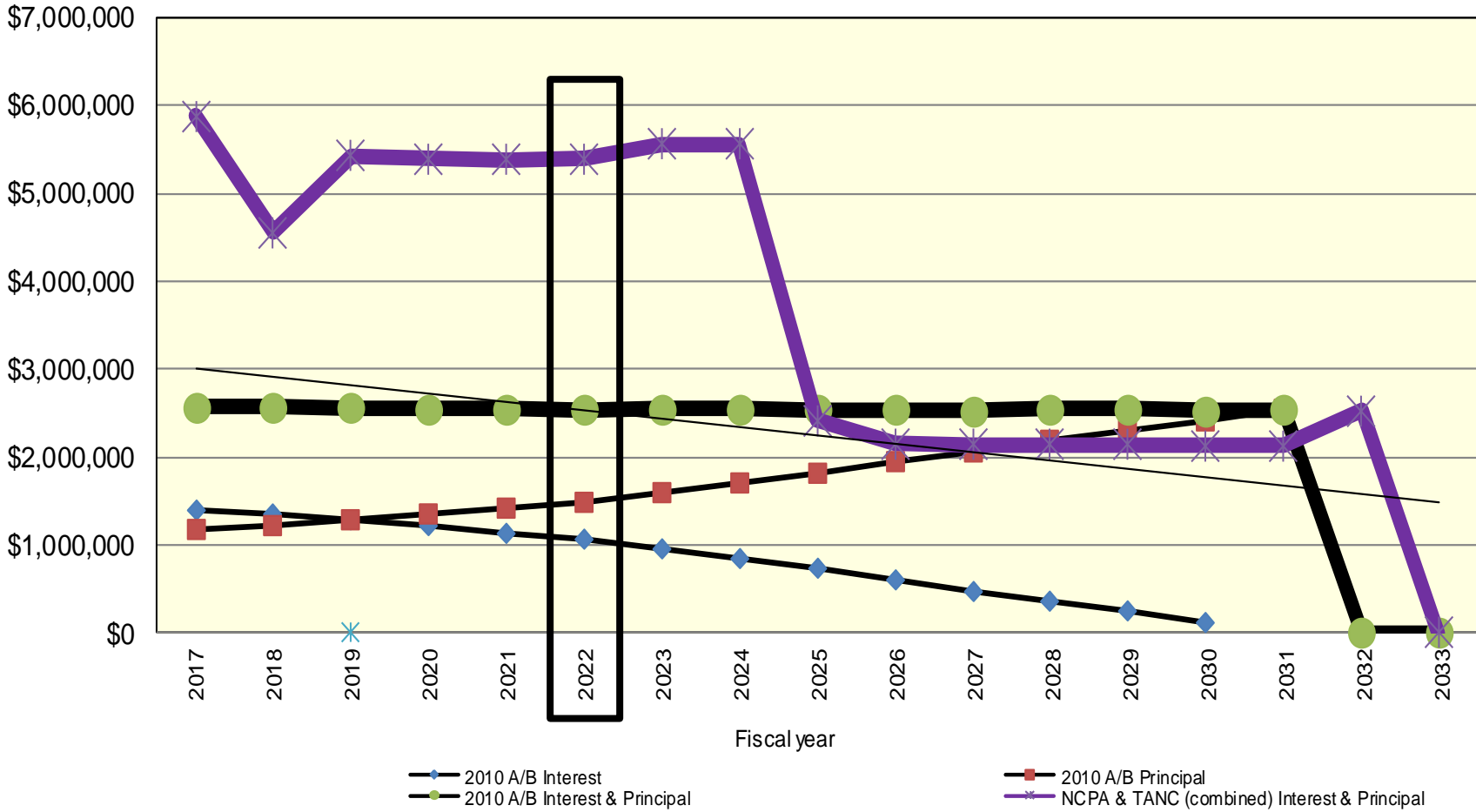
FY 2022 Budget: Purchased Power

- Purchased Power:
 - Budgeted purchased power is \$36,077,461, or \$288k more than last year's budget. The main drivers for this increase are, increased power costs, increased transmission costs and reduced Resource Adequacy(RA) sales. This amount is offset with \$3.5 M in REC/C&T purchases.

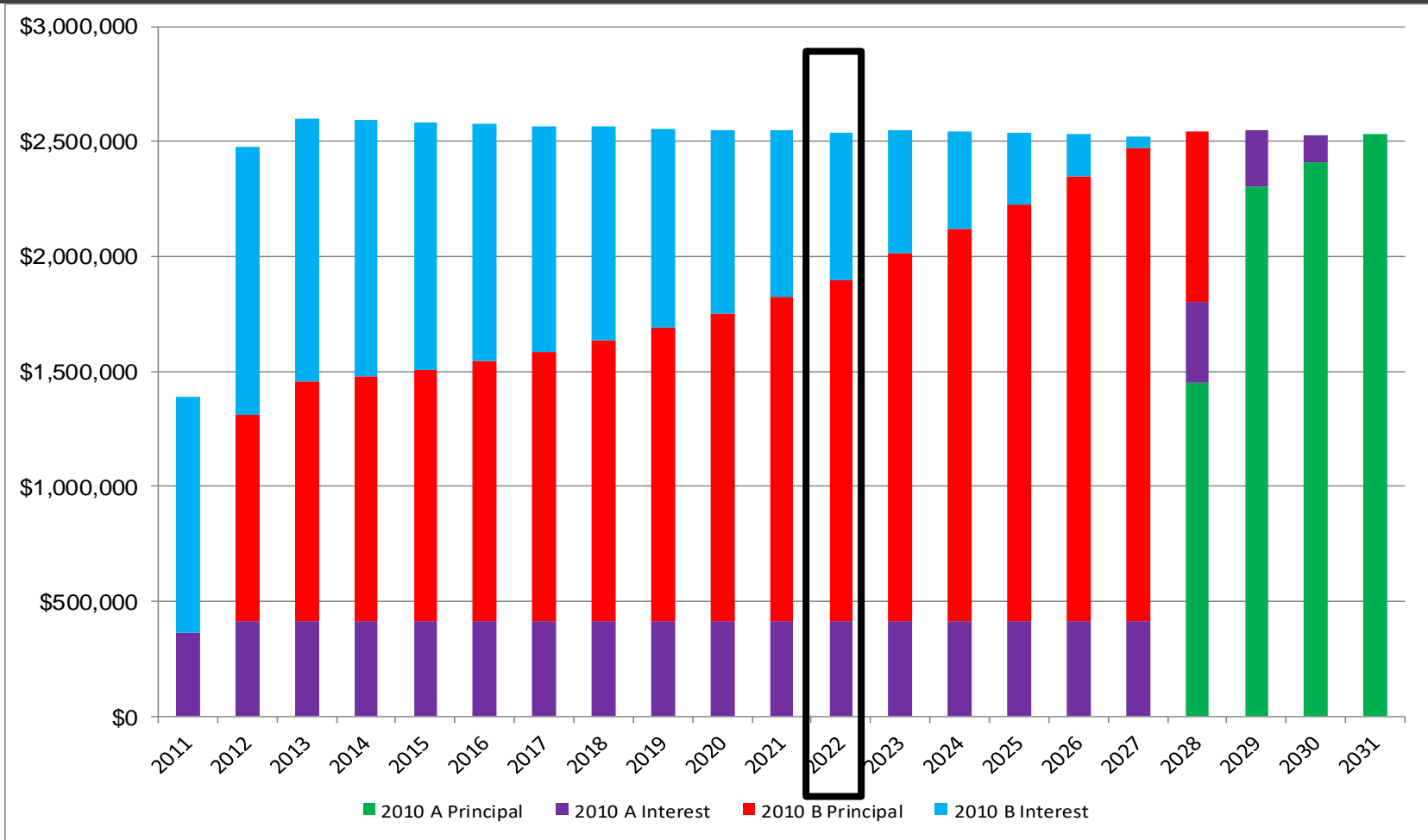
FY 2022 Budget: Operating Expenses by FERC

- Operations & Maintenance budget is \$8,494,257, or \$1,098,802 more than last year's budget
- Customer Accounts & Sales budget is \$7,036,629 or \$509,666 less than last year's budget; REC and LCFS expenses included in customer accounts total \$1,357,000 or \$460,500 less than last year's budget
- Administrative & General budget is \$9,744,180 or \$195,991 less than last year's budget; LCFS expense for EV charges included in Administrative & General total \$57,500 or \$24,500 less than last year's budget
- Total Expense from Operations, excluding depreciation, is \$25,275,066 or \$343,145 more than last year's budget

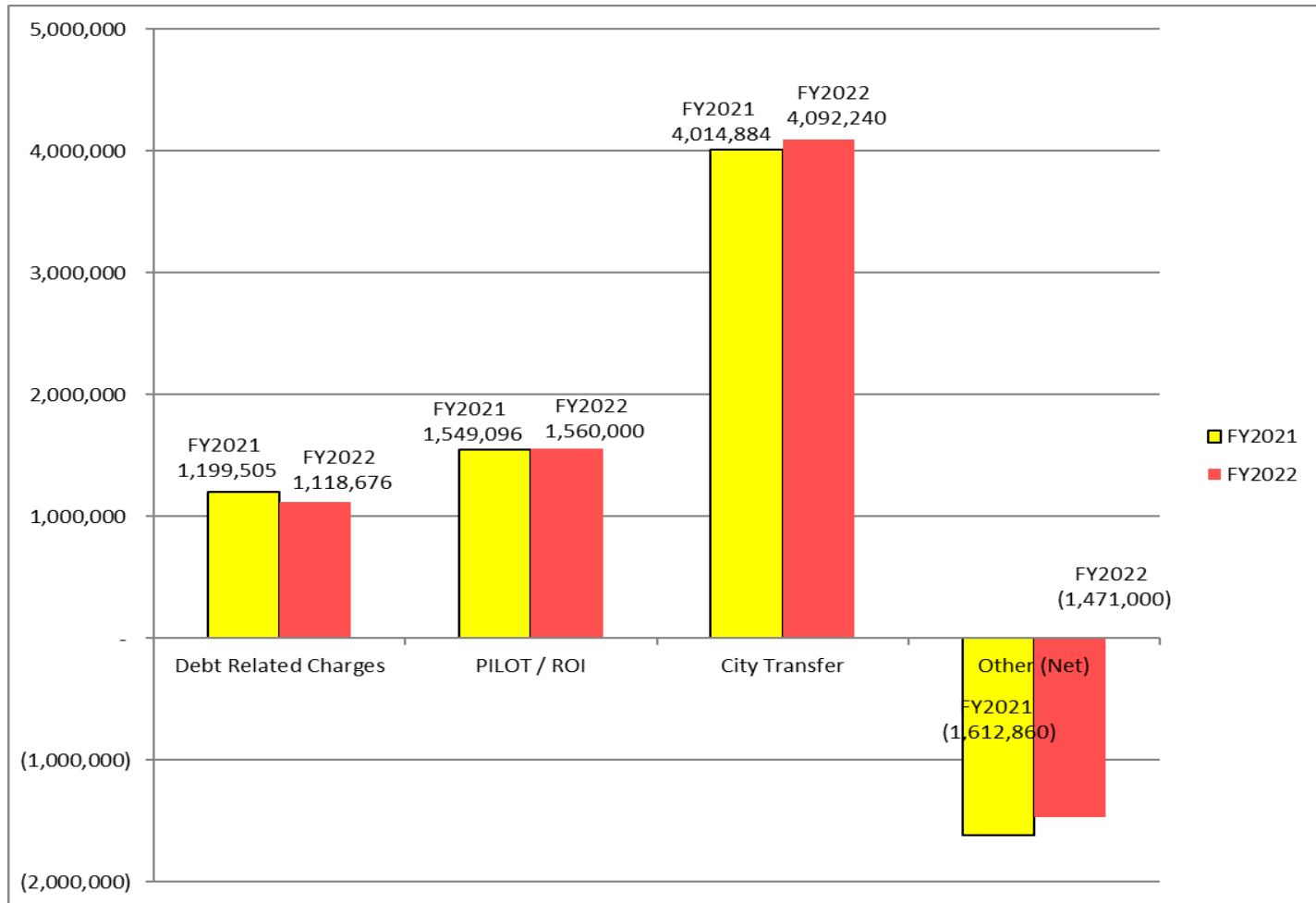
Direct and Indirect Debt Service (Interest & Principal)



2010 A/B Debt Service Payments



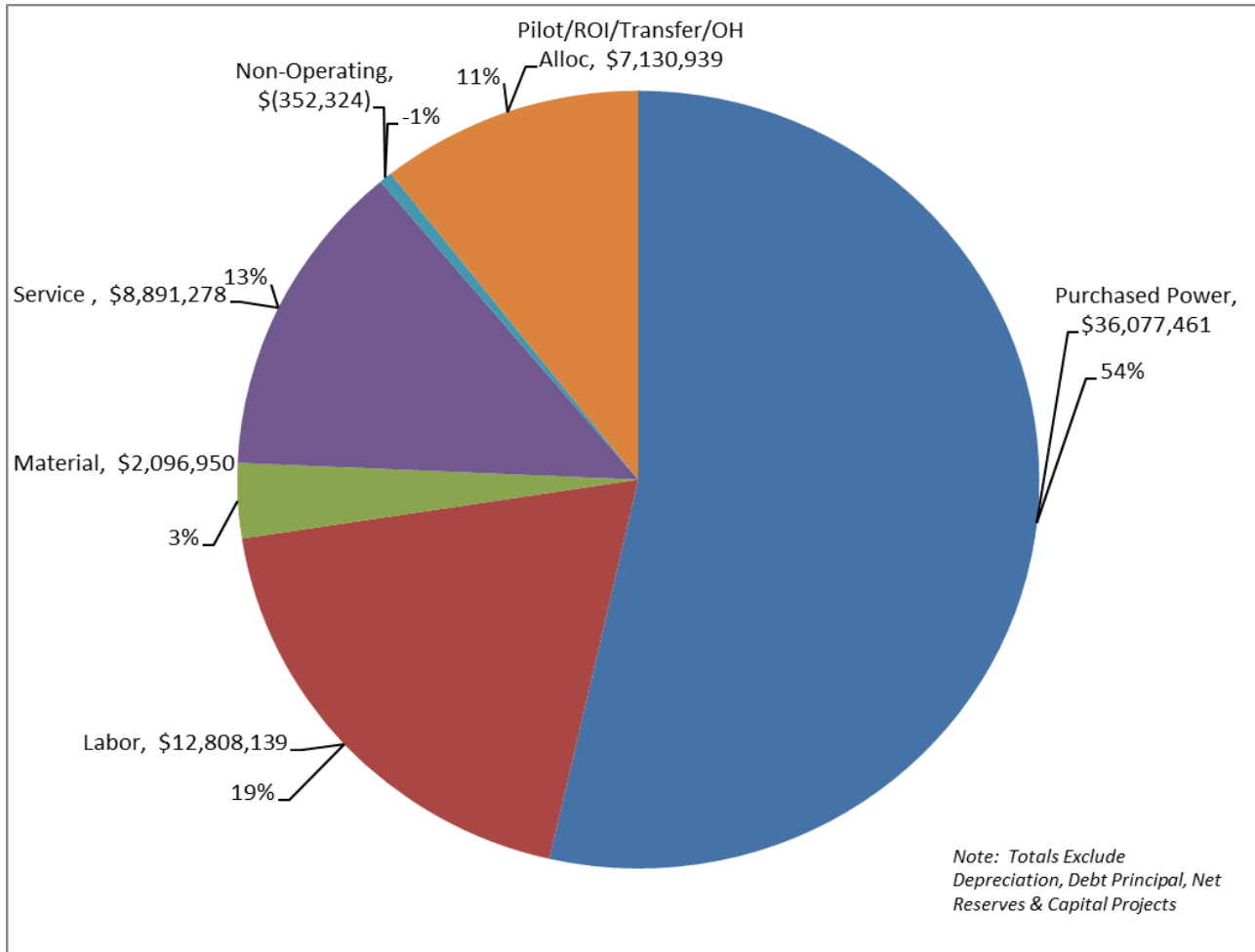
FY2022 vs FY2021 Budget: Non-Operating Expenses



FY 2022 Budget: Non-Operating Expenses

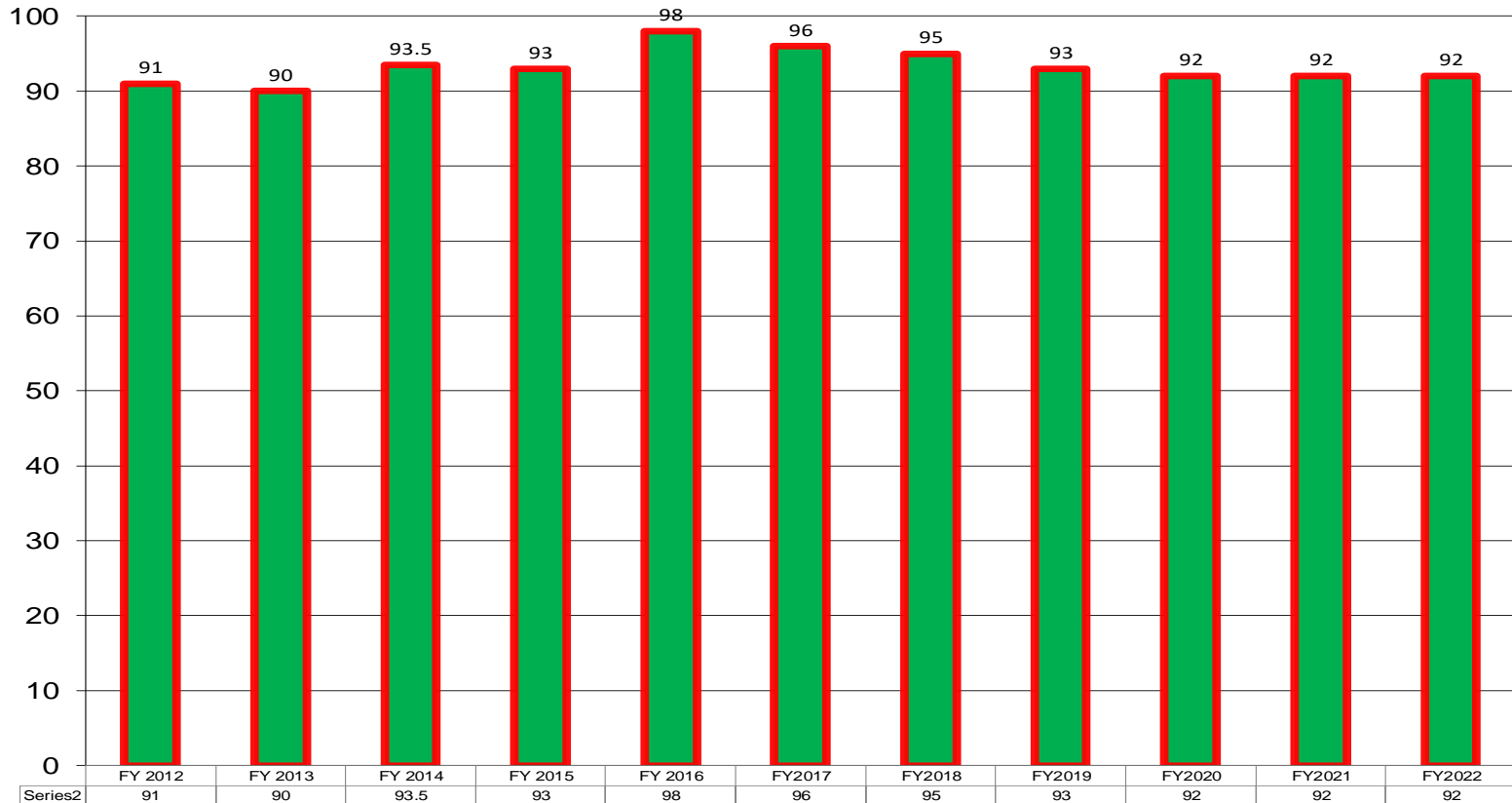
- Debt related charges (interest) decreases as the 2010 A/B principal is being paid
- Pilot/ROI increased from \$1,549,096 to \$1,560,000 or 0.7% from prior year
- City Transfer was increased from \$4,014,884 to \$4,092,240 or 1.93% (pending April CPI All Urban Index)
- Interest income remains at an estimated at \$1,125,000 or \$100,000 lower than prior year
- Outside billing decreased \$41,860 over prior year

FY 2022 Budget: Expenditure Make-up

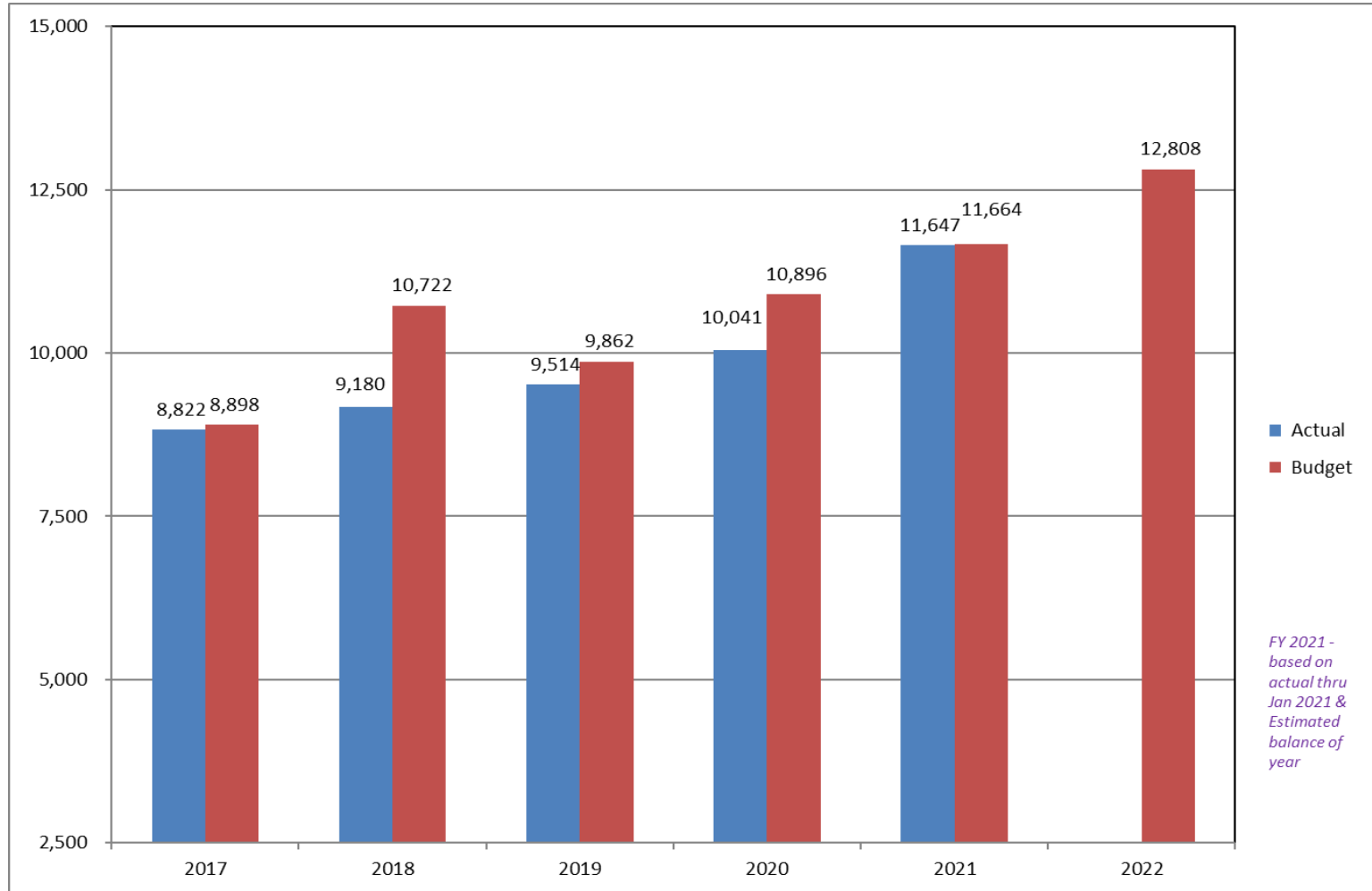


FY2022 Budgeted Staffing

Total Full-time Employees



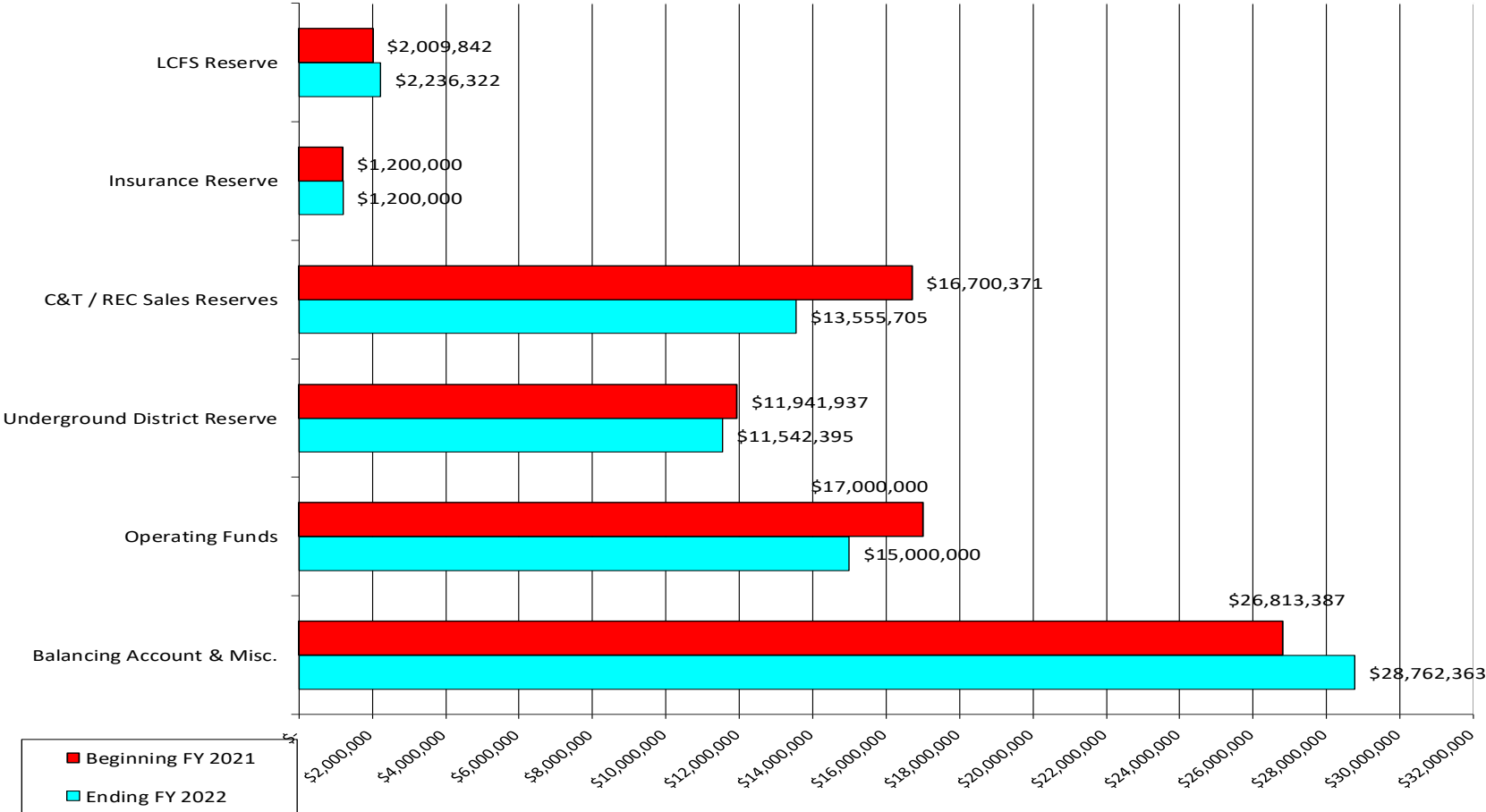
Actual to Budget Labor Comparison



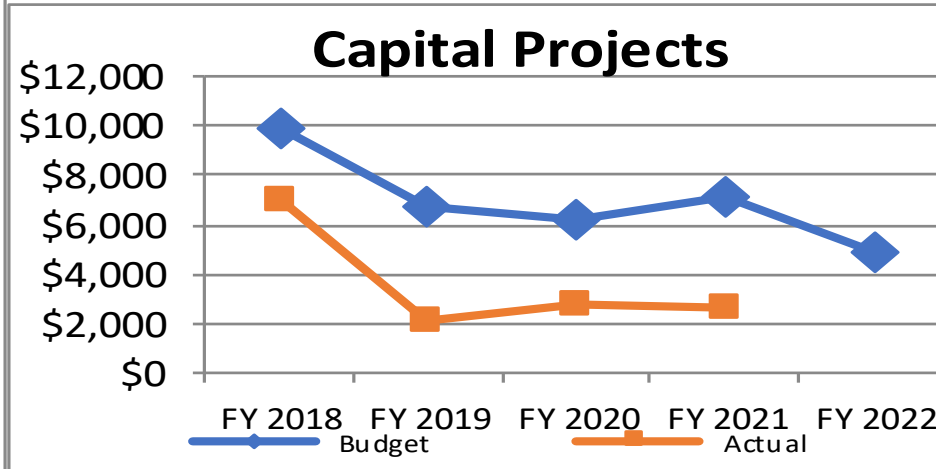
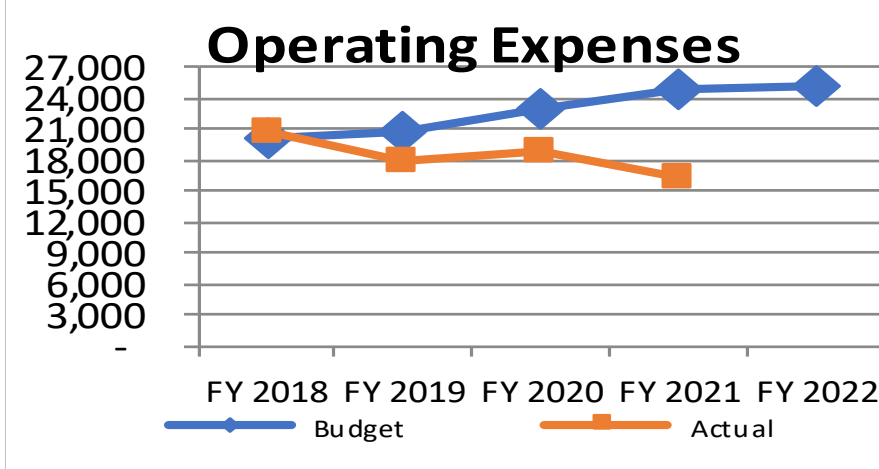
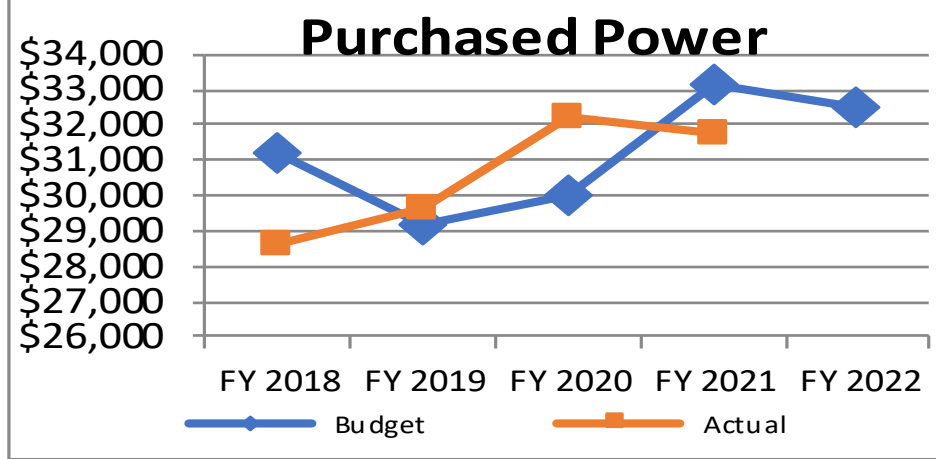
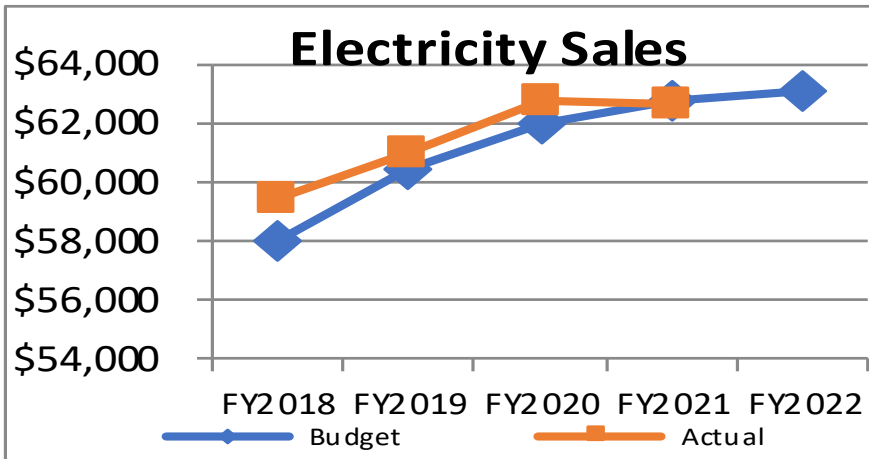
City Related Expenses

	FY 2021	FY 2022	% Change
General Fund Transfer	\$4,014,884	\$4,092,240	1.9%
PILOT / ROI	\$1,549,096	\$1,560,000	0.7%
City cost allocation ⁽¹⁾	\$1,025,481	\$857,801	-16.4%
City direct cost	\$616,000	\$507,398	-17.6%
Garage fees & sewer	\$63,500	\$113,500	78.7%
Total	\$7,268,961	\$7,130,939	-1.9%
AMP PERS cost	\$1,952,755	\$1,974,104	1.1%
AMP benefit cost	\$2,783,401	\$2,750,510	-1.2%
AMP Direct Payment for HR & IT	\$243,107	\$243,107	0.0%
OPEB cost ⁽¹⁾	\$75,000	\$60,000	-20.0%
Other Payments	\$5,054,263	\$5,027,721	-0.5%
(1) - estimated amount			

Sources of Funds for Investment



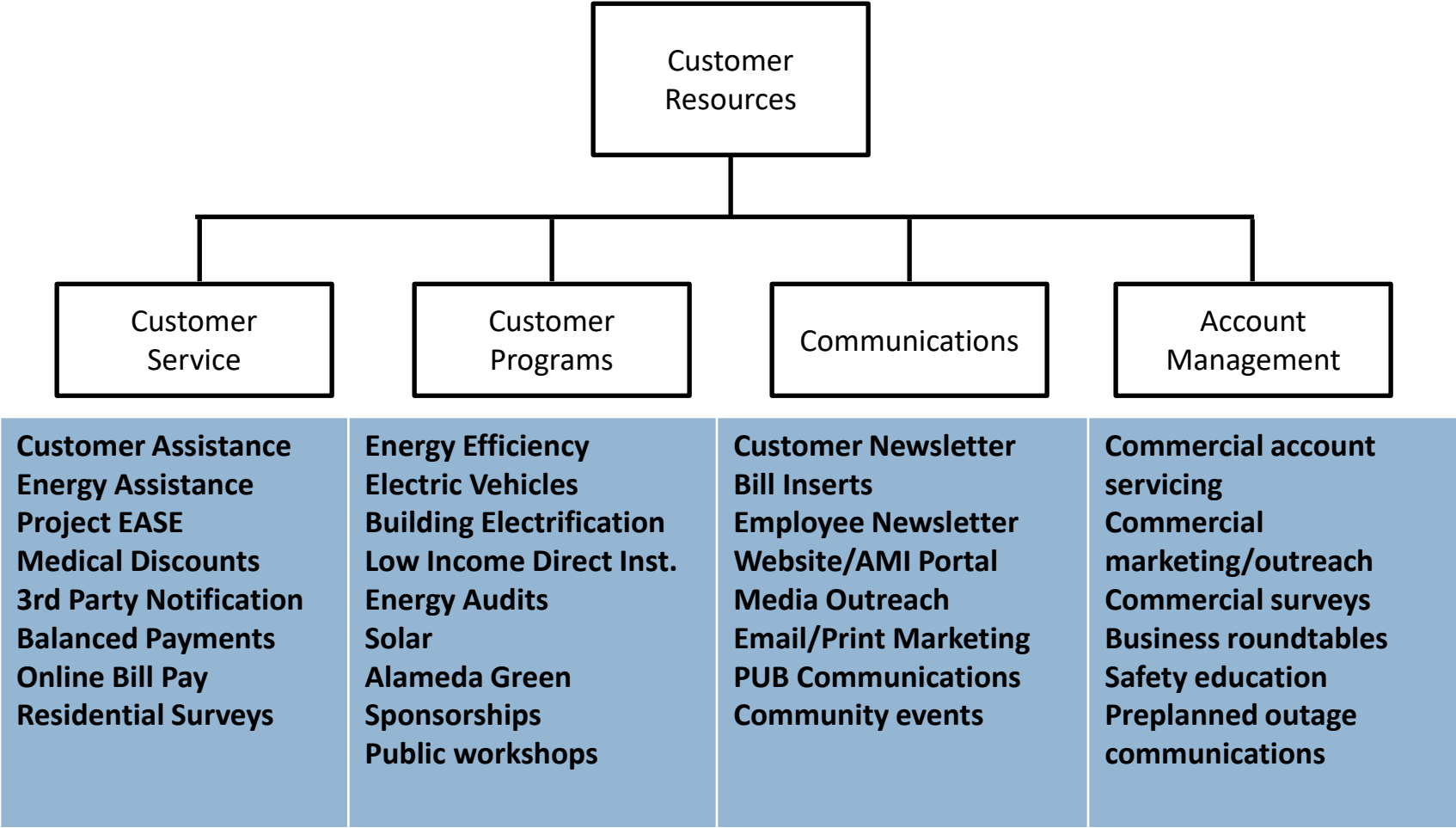
Budget to Actual and Comparison (in Thousands)



Customer Resources Division (CRD)

Customer Service
Customer Programs
Communications
Energy Efficiency

Customer Resources Division (CRD)



CRD HIGHLIGHTS FOR FY 22

Select Programs	FY 22 Budget	Funding Source
Home Energy Advisor service & building electrification outreach	\$60,000	RECs
Online Marketplace for efficiency/electrification products	\$100,000	RECs
Rebates for panel upgrades, heat pumps	\$75,000	RECs
Food service equipment rebate program	\$52,000	RECs
EAP Plus low-income direct-install program	\$300,000	RECs
Energy Plus non-residential direct-install program	\$330,000	RECs
Community solar program development	\$40,000	RECs
Sub-total of all REC-funded programs in FY 22	\$957,000	
Residential rebates for level 2 chargers, used EVs + low-income adder, e-mobility	\$200,000	LCFS
Non-residential rebates for level 2 chargers, forklifts and multifamily units	\$200,000	LCFS
EV outreach including Ride & Drive, EV Alley, Choose EV website, vehicles wraps	\$40,000	LCFS
Sub-total of all LCFS-funded programs in FY 22	\$440,000	

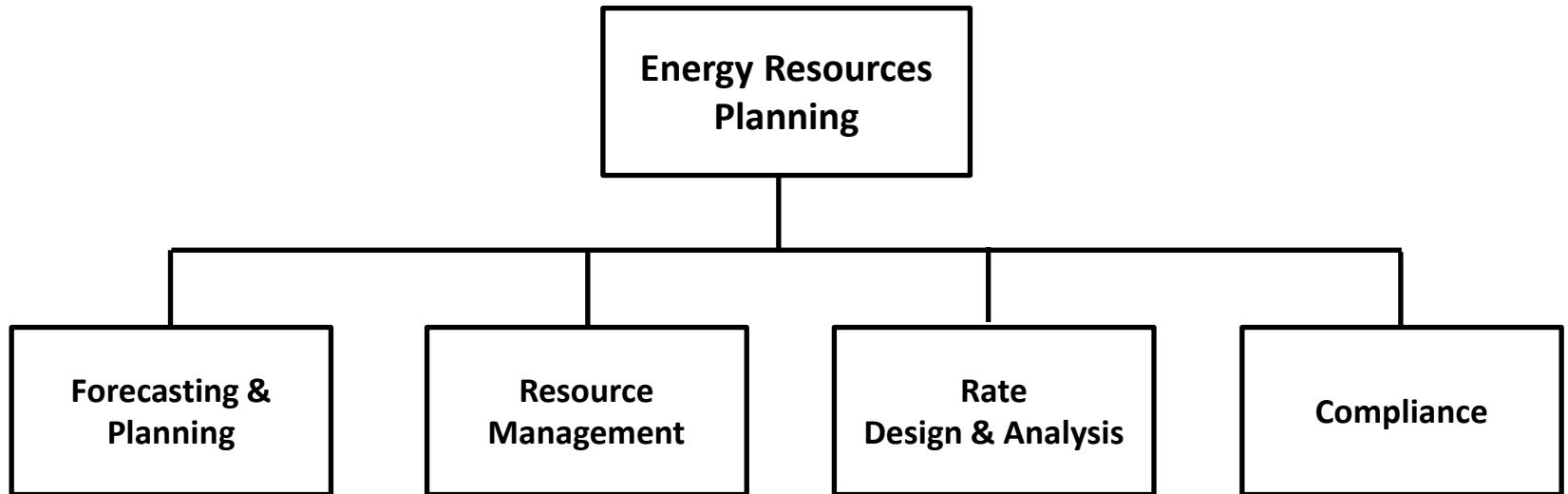
CRD HIGHLIGHTS FOR FY 22

- Launch new online marketplace for energy efficiency and electrification products and appliances.
- Continue portfolio of residential building electrification rebates for panel upgrades, EV chargers, HPWH's, and Induction stoves
- Continue used EV rebates
- Continue low-income direct-install energy efficiency
- Launch multi-family EV charger pilot
- Launch non-res energy audit program
- Launch Food Service equipment rebate program
- Launch Home Energy Advisor Electrification Outreach
- Continue Level 2 non-res EV Charger rebates
- Conduct EV Ride & Drive, EV Alley and other EV events
- Re-start non-residential customer satisfaction survey
- Discontinue non-residential direct-install energy efficiency

Energy Resources Planning (ERP)

Forecasting & Planning
Resource Management
Rate Design & Analysis
Compliance

Energy Resources Planning (ERP)



- Load Forecast
- 10-year Pro-forma
- Power Cost Budget
- Integrated Resource Plan

- Contract Negotiation
- Contract Management
- NCPA Resource Management
- Procurement & Sales
 - Resource Adequacy
 - Energy
 - Environmental Attributes
- Portfolio Optimization

- Annual Cost-of-Service Review
- Rate Design Restructuring
- New Tariffs

- Legislative & Regulatory
- Power Source Disclosure/Power Content Label
- Renewable Portfolio Standard (RPS)
- Cap and Trade Program
- Low Carbon Fuel Standard Program

FY 2022 ERP Goals / Initiatives

Strategy and Planning

- Evaluate new resources as per AMP's Integrated Resource Plan
- Complete negotiations, finalize Purchase Power Agreement and seek approval for Doolittle Solar Project
 - Target Commercial Online Date in FY 22
- Develop new tariffs/policies as needed
- Complete Local Reliability and Resilience Assessment

FY 2022 ERP Goals / Initiatives (cont.)

Compliance and Regulatory

- Maintain CEC mandated compliance documentation
 - Submit timely compliance reports related to Renewable Portfolio Standard and Power Source Disclosure
- Maintain Air Resources Board emissions filings and documentation
 - Track LCFS credit allocation
 - Participate in quarterly C&T auctions
 - File timely compliance reports on use of C&T and LCFS funds
- Partner with NCPA/CMUA on developing positions on key legislative and regulatory issues

FY 2022 ERP Goals / Initiatives (cont.)

Forecasting and Analysis

- Develop long term financial forecast
 - Provide support in development of NCPA budget and plan for future capital improvements
- Evaluate NCPA facility enhancements with other NCPA members
 - Evaluate future clean resource options as some facilities come close to end of their life
- Implement FY 2022 rate changes
 - EV-TOU launch
- Analyze resource portfolio and identify opportunities for optimization
- Evaluate future rate options

Engineering & Operations (E&O)

Transmission & Distribution (Line)

Substations & Metering

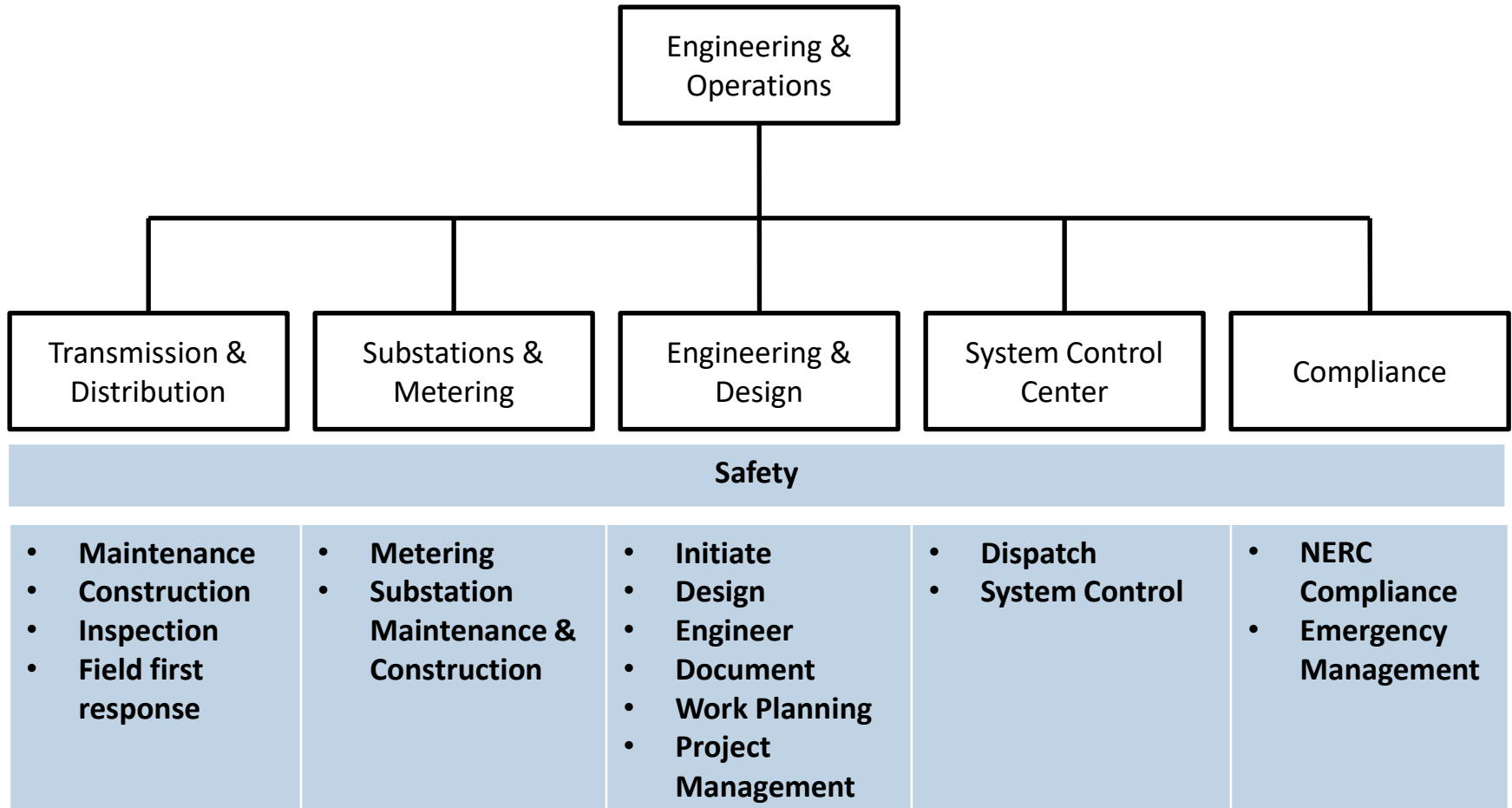
Engineering & Design

System Control Center

Compliance

Safety

Engineering & Operations (E&O)



E&O Initiatives

- Underground Utility District (UUD)
- Asset management
- 115kV air switch upgrade
- 115kV breaker replacement
- Doolittle PV
- Feeder breaker firmware upgrade

E&O Initiatives (cont.)

- Rotating system inspection and maintenance
- Compliance with NERC and other standards
- Replace aging distribution poles
- Efficiently complete developer driven projects
 - Alameda Marina - Housing
 - Rosefield - Housing
 - Harbor Bay & South Loop buildings
 - Delmonte Warehouse - Housing
 - Alameda Landing – Pulte Homes

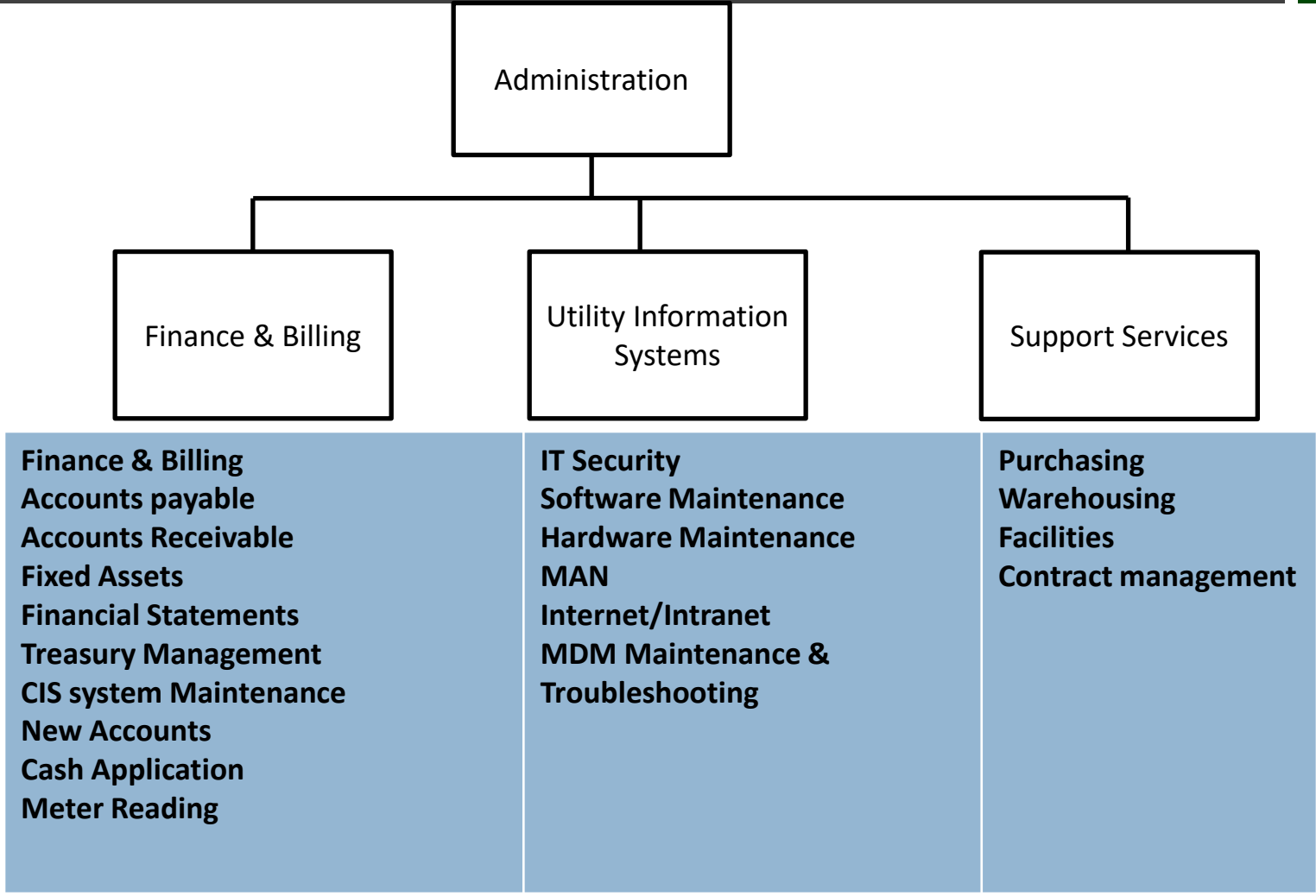
Administration

Finance & Billing

Information Systems

Support Services

Administration Organization



Administration FY2022 Initiatives

- Maintain Credit Rating
- Establish Long-range financial forecasts
- Develop business model reflecting future needs
- Integration of payroll with City's ERP system
- Contract management
- Budget Management
- Financial Management
- Customer Portal

Budget Schedule

- Annual Strategic Planning updates (completed March 24, 2021)
- 10-year Pro Forma and update on rate projections planned for regular meeting of the Public Utilities Board (completed March 15, 2021)
- Staff will present recommendations for rate allocation among rate classes for the Board to consider at the regular meeting of the Public Utilities Board on **April 19**
- Board provides final comments on draft budget by **May 10**
- Staff will present the budget and the Board will consider adoption at the regular meeting of the Public Utilities Board on June 21 at 5:00 p.m.
- Staff will implement the approved rate schedules and FY 2022 budget beginning July 1

Contact Information

For additional information, please contact:

Robert Orbeta

748-3910