

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

January 12, 2026

1. ROLL CALL

President McKenna called the meeting to order at 6:02 p.m. On roll call, the following commissioners were present: President McKenna, Commissioner Hunter, Commissioner Bird, Commissioner de Vries, and Interim City Manager Politzer.

2. ORAL COMMUNICATIONS – NON-AGENDA (Public Comment)

None.

3. SPECIAL PRESENTATIONS

None.

4. CONSENT CALENDAR

A. Minutes of the December 8, 2025, Regular Meeting of the City of Alameda Public Utilities Board

B. Listing of Bills Paid – December 2025

C. Financial Report – November 2025

D. Treasurer’s Report for the Month Ending November 30, 2025

E. By Motion, Accept the Independent Audit and its Associated Reports From Maze & Associates of Alameda Municipal Power’s Financial Position for the Fiscal Year Ending on June 30, 2025, and Find the Action Exempt from the California Environmental Quality Act

F. By Motion, Recommend City Council Approve the Upgrade of One Customer Service Representative Position to Lead Customer Service Representative Classification, the Upgrade of the Procurement Analyst Classification to Senior Procurement Analyst, and the Reclassification of Senior Clerk to Administrative Services Coordinator, and Find the Action Exempt from the California Environmental Quality Act

G. By Motion, Authorize the Purchase of One Brooks Brothers Three-Reel Trailer for an Amount Not to Exceed \$136,600 and Find the Action Exempt from the California Environmental Quality Act

Following a motion from Commissioner de Vries and a second from Commissioner Hunter, the Board unanimously approved the consent calendar.

5. AGENDA ITEMS

A. By Motion, Accept Alameda Municipal Power's Load Forecast for Fiscal Year 2027, and Find the Action Exempt from the California Environmental Quality Act

Following a presentation by Alan Harbottle, Energy Resources Supervisor, the Board began discussion.

Commissioner Hunter commended the accuracy of past load forecasts and asked how California building codes, particularly Title 24, influence projections. Mr. Harbottle explained that solar requirements and energy efficiency standards are incorporated, with most customer programs now focused on electrification. Commissioner Hunter then raised questions about federal trends, such as reduced EV incentives, and Mr. Harbottle noted that forecasts rely more on historical EV adoption patterns than federal policy, though major changes are reviewed annually. Finally, Commissioner Hunter inquired about integrating large new loads after forecast approval, and Mr. Harbottle clarified that smaller additions typically roll into the next forecast cycle, while very large loads—around 10 MW or more—would trigger special agreements and board consideration.

Commissioner de Vries asked why revenues appear to lag behind load and sales in financial reports and how that relates to being over the load forecast mid-year. Mr. Harbottle explained that sales data can be inconsistent due to billing cycles and timing issues, such as new rates overlapping months, creating a lag that doesn't fully reflect real-time loads. Mr. Harbottle noted that improvements and deeper analysis are planned for future revenue forecasts. Commissioner de Vries followed with triggers that could cause the downward trend in load. Mr. Harbottle responded that major factors include load departure, behind-the-meter solar adoption, and energy efficiency measures. While single large customers like the Coast Guard pose minimal risk, sector-wide changes—such as in biotech—could have a greater impact, though no immediate triggers are evident.

Interim City Manager Politzer asked about historical load trends over the past decade and how closely forecasting aligns with city planning, noting recent development activity. Mr. Harbottle explained that forecasts from ten years ago were very different, with loads peaking when the base was active and then declining steadily until around 2022, when growth resumed. He emphasized that forecasting has been challenging, with past expectations of inflection points often proving inaccurate, and highlighted the importance of considering these trends when planning resource procurement.

President McKenna expressed concern about recent automaker shifts away from fully electric vehicles toward hybrids, questioning how this trend might affect EV adoption and infrastructure development. Mr. Harbottle acknowledged the uncertainty, noting that annual forecasts have generally aligned with actual adoption but emphasized limited confidence in predicting future trends. While EVs remain present, he agreed that

changing market dynamics could influence adoption patterns and infrastructure needs, though California's strong EV interest and existing network help mitigate range anxiety compared to other regions.

With a motion from Commissioner Bird and a second from Commissioner de Vries, the Board unanimously approved Item 5A.

- B. By Motion, Authorize the General Manager to Transfer Funds Within the Capital Improvement Budget and Execute a Transmission Facilities Agreement with Pacific Gas and Electric Company for the Line Current Differential Relaying Transmission Protection Project Between Jenney Substation and Oakland Station J in an Amount Not to Exceed \$ 7,511,477, with a Contingency of \$308,523, For a Total Amount Not to Exceed \$7,820,000 and Find the Action Exempt from the California Environmental Quality Act

Following a presentation by Alan Harbottle, Energy Resources Supervisor, with support from Sameh Seleman, Engineering Manager and Tito Nagrampa, Senior Electrical Engineer, the Board began discussion.

Commissioner de Vries Commissioner de Vries remarked that the proposed engineering program is technically sound and necessary for improving system reliability, but its \$7 million cost demands rigorous review to ensure proper scope, pricing, and justification before proceeding.

Commissioner Bird asked for clarification on the existing fiber communication path between Jenny and Oakland C substations, including when it was implemented and its cost, as well as engagement with PG&E regarding pricing and the nature of the cost of ownership charge. Mr. Nagrampa explained that a similar line differential relay project was completed in 2006 for about \$300,000, noting differences in redundancy compared to the current scope. Mr. Harbottle emphasized that costs have escalated over 20 years, with estimates remaining generally consistent since 2020, and clarified that PG&E's cost of ownership reflects their capital return and ongoing maintenance responsibilities. He confirmed that under the current one-time payment approach, the cost of ownership is fixed upfront and not tied to variable services, while the project cost placeholder covers labor, materials, and contingency, subject to final determination.

Commissioner Hunter questioned whether PG&E's cost estimates were negotiable, seeking clarity on the 200% overhead, and if the project was rate-based or a pass-through. Mr. Harbottle said the figures came from PG&E's partners, detailed breakdowns haven't been provided, and his understanding is that the customer pays directly. Commissioner Hunter recommended confirming the project type, reviewing overhead details, and explained that the "present worth factor" reflects converting annual payments into a one-time cost. Commissioner Hunter concluded by urging continued efforts to gain transparency and reduce costs through negotiations.

Interim City Manager Politzer emphasized the need to understand PG&E's overhead charges and confirmed the project's critical role in Alameda's reliability, asking about the timeline if approved. Mr. Harbottle responded that while the current setup is suboptimal, there's no immediate threat, but faults could occur anytime, making the upgrade important. He explained that PG&E controls the schedule, and the reasonable expectation is completion within a year of executing the agreement. President McKenna stressed the severe and far-reaching consequences of rare transmission faults, underscoring the need for proactive planning, while Commissioner de Vries clarified that the project addresses a specific interface between Jenny and J substations, providing added protection without involving the broader grid.

President McKenna asked why the project was delayed after losing the copper line, questioned cost certainty, protections, and PG&E's charges, including the \$1.7M overhead and rate-of-return. Mr. Harbottle cited budget constraints and large costs as reasons for delay, while Mr. Nagrampa noted repeated proposals since 2010, with funding secured only after PG&E's final estimate last year. Mr. Harbottle confirmed a $\pm 25\%$ cost variance and acknowledged the need for more clarity on tariffs, negotiable items, and protections.

General Manager Haines agreed to review FERC rules, audit rights, and cost components, committing to return with a clearer plan and possible savings. President McKenna supported moving forward but stressed confidence in the final number and high-quality work. Commissioner de Vries noted that staying under the \$7 million approved budget would allow quicker action, but emphasized the need for thorough due diligence if costs reach that level. Mr. Harbottle and General Manager Haines confirmed no negotiations have occurred yet, highlighted the complexity of PG&E's tariffs, and committed to engaging consultants and PG&E to clarify overhead charges and cost components before moving forward.

The Board debated whether to approve the PG&E agreement immediately or delay for further review. Lonnie Eldridge, Special Counsel for AMP, outlined options: approve as-is, approve with a "not-to-exceed" cap and authority for staff to negotiate, or defer action. Commissioner Hunter favored setting a cap but worried about feasibility, while Interim City Manager Politzer and others expressed discomfort approving without clarity on overhead costs, contingency, and protections. Mr. Harbottle noted external consultants could provide quick feedback, but deeper engagement with PG&E could take months, and price changes—up or down—are possible during renegotiation.

The Board agreed to postpone a vote, directing staff to work with consultants, seek cost transparency, and explore negotiations with PG&E leadership. General Manager Haines confirmed a March timeline for updates and emphasized building relationships with PG&E executives. The commissioners stressed the importance of due diligence, cost justification, and maintaining project quality, even if the final price remains unchanged.

After discussion and legal consultation, the Board took no action, and recommended staff come back with additional information at a future meeting.

6. GENERAL MANAGER'S REPORT

General Manager Haines provided an update on AMP's participation in the proposed aquatic center, with the recommendation AMP divest from the microgrid component while continuing with the rebate and educational components. General Manager Haines indicated the Board would have this topic as an agenda item at a future meeting, where formal measures could be enacted. The Board expressed support for and reflected on the process that led to the recommendation.

7. CITY COUNCIL COMMUNICATIONS

None.

8. BOARD COMMUNICATIONS

None.

9. ORAL COMMUNICATIONS – NON-AGENDA (Public Comment)

Fahad Kelantan, from Enliven Energy, provided a comment regarding the company's plans to build a hydrogen station in Alameda and requested to connect to Alameda's solar energy.

10. ADJOURNMENT

President McKenna adjourned the meeting at 7:40 p.m.