

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

Attachment 3A



SUMMARY MINUTES

ABAG Power Executive Committee

Regular Meeting 2012-01

February 15, 2012

Metro Center, ABAG's Conference Room B

101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman Chris Schroeder opened the meeting with introductions at 12:00 Noon.

Committee Representatives

Mark Armstrong
Ron Popp
Chris Schroeder (Chair)
Richard Sealana (Vice-Chair)

Jurisdictions

City of Santa Rosa
City of Millbrae
City of Milpitas
City of Union City

Committee Representatives Absent

Angela Rush
Laura Ryan

City of Richmond
City of Pleasanton

Staff Present

Jerry Lahr
Vina Maharaj
Ken Moy
Herb Pike

ABAG POWER
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PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

APPROVAL OF SUMMARY MINUTES OF DECEMBER 14, 2011

Motion was made by Sealana/S/Popp/C/4:0:0 to approve the corrected Summary Minutes of December 14, 2011 Executive Committee Meeting. The correction on page 2, under "Audited Financial report FY 2010-11" to read "*The auditors completed their audit of FY 2010-11 Financial Report with no reportable findings.*"

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REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 11-12

Lahr provided the members with the Monthly Summary of Operations report for FY 2011-12. He updated the members on the percentage savings comparison with PG&E. The cumulative savings from July to December, 2011 is 3.5% in comparison with PG&E.

Gas Hedge Chart

Lahr explained the various long and short term gas purchases which were reflected on the Gas Hedge Chart. He mentioned the newest package, priced at \$3.74 for a period of two years starting in July, 2012.

Market Price Chart 2000-Present

Lahr provided the members with a longer term look at the trend of gas prices, going back a decade. There were fairly big spike in prices throughout the decade, however, prices mainly remained at around \$6.00/Dth.

Market Price Chart (3-year)

Lahr mentioned that the gas portion of the costs (gas prices) are significantly lower than what was budgeted for this current fiscal year, FY 2011-12.

ABAG POWER Monthly Invoice & Backup Detail Report - Online

Lahr provided an update on the online monthly invoice and backup detail report project. There was discussion about the challenges of ABAG POWER providing and members receiving complete electronic billing services at this time.

Gas Storage

Lahr mentioned finalizing the previously executed 2009 storage services agreement with Wild Goose Storage for a term April 1, 2012 to March 31, 2013 for base load storage service for 80% of the program's storage needs. The storage cycle for ABAG POWER is from April through March. Currently, the program is ending a storage cycle, meaning pulling gas out of storage. ABAG POWER continues to retain a 20% storage service provided by PG&E.

Gas Scheduling Contract with Golden Valley Gas Services

The previously extended Gas Scheduling Services Agreement between Golden Valley Gas Services, Inc. (GVGS) and ABAG POWER is expiring on June 30, 2012. This item will be presented to the committee at the June meeting.

Credit Requirements with PG&E

ABAG POWER has an approved credit line with PG&E for \$2 million. Their calculated credit requirement for ABAG POWER is currently \$1.7 million. There is a possibility that the credit requirement for ABAG POWER will increase during the coming months due to the new pipeline allocation requirements. Lahr/Pike suggested various methods for resolving future credit issues with PG&E.

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FY 2010-11 AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements for the year ending June 30, 2011 were presented to the committee for approval.

Motion was made by Popp/S/Sealana/C/4:0:0 to approve the FY 2010-11 Audited Financial Statements.

ABAG ENERGY PROGRAMS UPDATE

The status, program goals, description and other particulars about each of ABAG's Energy Programs were provided to members as Agenda Item 6A.

Lahr mentioned that the Retrofit Bay Area program contract will officially terminate April 30, 2012.

CLOSED SESSION

Conference With Legal Counsel—Anticipated Litigation, Govt. C. Sec. 54956.9(c)
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: One Case

There were no reportable action items from the closed session

ADJOURNMENT

Chairman Schroeder adjourned the meeting at 1:05 p.m.

/vm

*Example of a motion – *[Member No. 1/S/Member No. 2/roll call vote/C/8:0:0]* means Member No.1 motions, seconded by Member No.2, after roll call vote, motion carries, 8 = “yes” votes, 0 = “no” votes and 0 = abstention.