



SUMMARY MINUTES

ABAG Power Executive Committee

Meeting 2004-03

June 23, 2004

Metro Center, 101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman Richard Averett opened the meeting with introductions at 12:10 p.m.

Committee Representatives & Alternates Present

Richard Averett, Chairman
 Jeff Kolin (via teleconference)
 John Lisenko
 Steve Sprotte
 Vicki Swank

Jurisdictions

City of San Carlos
 City of Santa Rosa
 City of Foster City
 City of Union City
 County of Santa Clara

Committee Representatives Absent

Mary Hill
 Terry Mann
 Dave Millican, Vice-Chairman
 Rob Sousa

City of Vallejo
 County of Contra Costa
 City of Fremont
 City of Benicia

Staff Present

Joe Chan
 Jerry Lahr
 Eugene Leong
 Vina Maharaj

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PUBLIC COMMENTS/ANNOUNCEMENTS

There were no public comments.

ELECTRIC PROGRAM WIND-UP

Status of Electric Program Wind-up Agreement

Jerry Lahr provided the members with an update of the windup agreement approval process. He said that ABAG POWER had met the \$20 million threshold required for the distribution of the funds. Lahr said ABAG POWER was in the process of preparing checks with the first batch targeted to be mailed out by June 25th.



Chairman Richard Averett, on behalf of the Executive Committee, commended staff for holding the workshops and teleconferences to help jurisdictions with their questions and concerns. He, together with Executive Committee member, Steve Sprotte thanked staff for doing a remarkable and outstanding job of getting the issues resolved and reaching the threshold level. When ex-Chairman, Jeff Kolin joined the meeting later, Chairman Averett acknowledged Jeff's work for the leadership and guidance he provided as Chairman of the Executive Committee during the entire course of the closure and wind up of the ABAG POWER Electric Program.

Wind-Up Distribution Audit Report

Joe Chan reported that the Auditors, Maze & Associates had performed a special audit as was approved by the Executive Committee at its April 21st meeting. The Auditors reviewed the basis and rationale of the calculations for refunds, and spot-checked the calculation of twenty members. Chan provided the Executive Committee a letter from the Auditors containing an explanation of a step-by-step procedure of the audit performed. He said that the application of the procedures did not result in the discovery of any errors of any kind in the calculations of refunds of the members tested.

Status of Electric-Only members

There was a discussion about the status of membership of members who were only in the Electric pool. Lahr said that signing the electric program wind-up agreement does not exit Electric-only members out of the pool. All members are still part of the ABAG POWER JPA and only upon a written request will their membership be discontinued.

There was a general consensus among members that communication needs to go out to Electric-only members informing them of their status in the Program. It was requested that staff provide a draft of this communication to the Executive Committee members at the August meeting before sending it out to the Electric-only members.

LOCAL GOVERNMENT ENERGY PARTNERSHIP

Lahr provided the members with an LGEP Enrollment Form and described the process for enrolling in the program. Lahr said the City of Pleasanton was the program's first enrollee. He said LGEP staff was in the process of contacting jurisdictions and the following agencies had currently expressed an interest in the program: Cities of San Ramon, Sebastopol, Dixon, Rio Vista, Vacaville, and the County of Monterey.

Lahr said he would like to see ABAG POWER members take advantage of the program. The program was enrolling members on a first come, first serve basis.

REPORT ON NATURAL GAS PROGRAM

Jerry Lahr provided the members with the monthly Summary of Operations report for the Natural Gas Program. He reported that gas prices were very high, up to \$6.00 per decatherm and provided information on why the prices had risen so high recently. As mentioned at the last meeting, Lahr expressed his concern about PG&E's Core Gas Procurement rate which has included a substantial negative "adjustment" since February, 2004 and was causing PG&E's rate to appear lower than the actual cost of gas for those months.

**Natural Gas Core Aggregation Agreement**

Lahr said that the agreements were in the process of execution by the members and ABAG POWER had received only a few back at this point.

Occidental Energy (OXY West LLC)

Lahr reported that OXY West had finally credited an amount of \$29,209.00 to ABAG POWER which they had owed due to an overpayment by ABAG POWER.

El Paso “Turn-back” Capacity

Lahr provided an update indicating that PG&E will be refunding the money to members in August. The refund will be reflected as a credit on the transportation portion of the bill. However, Lahr said that due to the levelized method of payment, members may not be able to distinguish the small credit until their accounts are finally trued up.

Non-Core Natural Gas Aggregation Agreement

Lahr reported that Cities of Watsonville and Santa Rosa are interested in signing non-core gas agreements with ABAG POWER. He said that they will be paying the same gas rates as the core program, however, the transportation rates that they receive from PG&E will be at a lower non-core transportation rate.

ABAG POWER’s Billing Services

Lahr said he would like to explore a more enhanced billing service program for ABAG POWER. He provided some background information on the current billing agent contract and requested members’ feedback on the services they are receiving. There was discussion about various other organizations who could be potential billing agents for ABAG POWER. Lahr discussed a proposal from Ensite Inc., as well as the billing option with PG&E. Executive Committee members Swank and Averett said they continue to encounter a myriad of problems on their other accounts with PG&E on a daily basis and would have great concerns about moving the billing to them. No action was taken. There was a general consensus to continue to review the various options.

Jeff Kolin joined the meeting at this point.

APPROVAL OF SUMMARY MINUTES OF APRIL 21, 2004 MEETING

Motion was made by Lisenko/S/Sprotte/C/5:0:0 to approve the Summary Minutes of April 21, 2004 Executive Committee Meeting.

WILD GOOSE STORAGE CONTRACT

Motion was made by Sprotte/S/Swank/C/5:0:0 to approve the Wild Goose Storage Contract.

ABAG POWER FY 2003-04 BUDGET UPDATE

Jerry Lahr presented the members with the proposed ABAG POWER Operating Budget for Fiscal Year 2004-05. Members questioned staff regarding various items on the budget. Staff was requested to revise Footnote 3 of the Operating Budget.

Motion was made by Lisenko/S/Swank/C/5:0:0 to approve the Operating Budget as presented.



ADJOURNMENT

Chairman Averett adjourned the meeting at 1:40 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 = abstentions.