



SUMMARY MINUTES

ABAG POWER Annual Board of Directors' Meeting 2009

October 29, 2009

Joseph P Bort MetroCenter

101 Eighth Street, Oakland, CA 94607-4756

WELCOME

Chairman John Cerini opened the meeting of the ABAG POWER Board of Directors' with introductions at 10:00 a.m.

The agencies having a representative at this meeting were as follows:

Jurisdictions Represented

City of Alameda
City of Antioch
City of Benicia
City of El Cerrito
City of Fremont
City of Hercules
City of Los Altos
City of Millbrae
City of Milpitas
City of Newark
City of Oakland
City of Orinda
City of Pacifica
City of Richmond
City of San Mateo
City of San Pablo
City of Santa Rosa
City of Saratoga
City of Union City
City of Vallejo
County of Butte
County of Contra Costa
County of San Mateo
County of Santa Clara
Golden Gate Bridge & Highway District
Hayward Area Recreational District
(H.A.R.D.)
Housing Authority for the County of Alameda

Representatives

Marge McLean
Arlene Mornick
Rob Sousa
Garth Schultz
Harriet Commons
Raj Pankhania
Brian McCarthy
Ron Popp
Chris Schroeder
Peggy Claassen
Scott Wentworth
Janet Keeter
Ann Ritzma
Ralph Lloyd/Adam Lenz
Hossein Golestan
Bradley Ward
Mark Armstrong
Thomas Scott
Richard Sealana
John Cerini
Richards Hall
Terry Mann
Doeg Koenig
Lin Ortega
Jennifer Mennucci
Karl Zabel
Tom Makin



RAFC
Town of Atherton
Town of Moraga
Vallejo Sanitation and Flood Control District

Teri Green
Eileen Wilkerson
Jill Mercurio
Barry Pomeroy/Ron Matheson

Guests Present

Bruce Riordan

Climate Consultant to JPC

Staff:

Halimah Anderson
Henry L. Gardner
Herb Pike
Jerry Lahr
Kenneth Moy
Michelle Williams
Vina Maharaj

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PUBLIC COMMENTS

There were no public comments.

CHAIRMAN'S OPENING REMARKS

Chairman Cerini welcomed the board members and provided a brief history and a general overview of the ABAG POWER Program. He introduced and extended a special acknowledgment to the 2008-09 Executive Committee and the ABAG POWER Staff.

APPROVAL OF SUMMARY MINUTES OF OCTOBER 30, 2008 ANNUAL BOARD MEETING

Motion was made by Schroeder/S/Mennucci/31:0:0/C/ to approve the Summary Minutes of October 30, 2008 ABAG POWER Annual Board of Directors' meeting.

ELECTION OF ABAG POWER OFFICERS (CHAIR AND VICE CHAIR)

Motion was made by Popp/S/Menucci/31:0:0/C/ to elect John Cerini of the City of Vallejo as Chairman and Chris Schroeder as Vice-Chairman of the ABAG POWER Executive Committee for program year 2009-10.

CONFIRMATION OF EXECUTIVE COMMITTEE MEMBERS

Motion was made by McLean/S/Keeter/31:0:0/C/ to approve the proposed ABAG POWER Executive Committee for program year 2009-2010 as follows:

Mark Armstrong, City of Santa Rosa
John Cerini, City of Vallejo
Terry Mann, County of Contra Costa
Jennifer Mennucci, Golden Gate Bridge, Highway & Transportation District
Raj Pankhania, City of Hercules



Ron Popp, City of Millbrae
Chris Schroeder, City of Milpitas
Richard Sealana, City of Union City

STATUS OF ELECTRIC PROGRAM FUNDS

Lahr provided the members with a background of the ABAG POWER Electricity pool which was suspended in July, 2001. ABAG POWER and each Electric Program participant had executed the Windup Agreement which distributed all Program assets and liabilities, except approximately \$1.5 million in agency funds on deposit with the Northern California Power Agency (NCPA).

Lahr said that in June 2009, ABAG POWER had reached an agreement with the NCPA for the release of these funds. NCPA provided ABAG POWER with an accounting of the monies in the Deposits, confidential information on the demands made by litigants and the costs of defense attributable to the Electric Program. NCPA proposed to release the balance of the Deposits to ABAG POWER.

After a brief series of negotiations, NCPA and ABAG POWER entered into a “Mutual Release and Accounting” providing as follows:

- NCPA releases \$1,250,000 to ABAG POWER in full settlement of, and a complete accounting for, ABAG POWER’s claim to the Deposits
- Each party releases the other from any claim(s) it may have against the other arising out of the FERC regulatory proceedings or the litigation.

Lahr provided an Escrow Funds Settlement Allocation which was prepared in accordance with the Wind-up Agreement (Section 5 C). The allocation method is based on the total program electricity usage. Also, as approved by the Board at the 2008 meeting, ABAG had kept track of costs associated with the Electric Program resolution during the past year and will deduct these costs from the settlement proceeds prior to distribution. These costs are approximately \$13,000.

Lahr said that the funds will be distributed to the participants of the Electric Program within the next couple of weeks. This distribution will conclude the end of the Electric Program.

REVIEW OF NATURAL GAS PROGRAM

Lahr provided an in-depth report on the operations of the Natural Gas Program for the 2008-09 fiscal year. He also provided a multi-year review of the program, and discussed the program goals, long-term program achievements and gas purchasing strategies.

The program’s net savings for the year ending June 30, 2009 was -8.0%, while the average savings for the period January 2003 to present was approximately -0.3%. During this entire period the Program has achieved greater price stability than PG&E.



Based on the program's current buying strategy, ABAG POWER will continue to look to the forward gas commodity markets to increase its overall hedged position to as much as 75% as favorable buying opportunities become available.

ENERGY DATA MANAGEMENT PROJECT

Lahr provided a brief history, purpose and current status of the Pilot Project which was initiated in 2009. He said that while the project implementation has proceeded steadily, it has taken longer than expected, and has not yet reached a point at which the program can be sufficiently evaluated for a go/no-go recommendation for expansion to other agencies.

If an expansion of the project is warranted after an evaluation of the pilot project, staff will consult with the Executive Committee for additional funding authorizations and sources. It is likely that an expansion of the project would require individual members to opt in, and pay a proportionate share of the costs.

NATURAL GAS LITIGATION

Over the past year ABAG POWER reached settlements with several defendants resulting in net proceeds of \$557,301. The final settlement payment was received in August, 2009, bringing the litigation to a conclusion, and ABAG POWER has since made allocation payments to all opt-out members.

Agenda Item 8B illustrated the Gas Litigation Proceeds Allocation methodology for which the formula of allocation had been approved by the Board at its 2008 annual meeting. Lahr said that the program intends to return all proceeds to members by early November.

FINANCIAL REVIEW

Herb Pike presented the preliminary financial reports for fiscal year ending June 30, 2009. All revenues and expense categories were within expectations and reasonable with respect to the budget for FY 08-09. Auditors were in the process of auditing the financial statements, which will be available by December, 2009.

ABAG ENERGY WATCH/GREEN COMMUNITIES/SOLAR & ENERGY EFFICIENCY DISTRICT

Lahr provided an overview, goals achieved, findings/lessons learned and an Energy Assessment Report for the ABAG Energy Watch program 2006 - 2009. An update was also provided regarding the goals and benefits of the Green Communities Program.

Lahr provided a status update on the Solar & Energy Efficiency District (SEED) financing program, as well as the results of a marketing analysis/survey.

GUEST SPEAKER – Bruce Riordan, Climate Consultant to JPC

There was a discussion regarding the regional agencies' (ABAG, BAAQMD, BCDC, MTC) actions related to climate change and greenhouse gas reduction and the six joint actions selected for 2009-2010.



ADJOURNMENT

Chairman Cerini adjourned the meeting at 1:00 p.m.

/vm

*Example of a motion – *[Member No. 1/S/Member No. 2/O/Member No. 3/roll call vote/C/8:0:0]* means Member No.1 motions, seconded by Member No.2, Opposed by Member No. 3, after roll call vote, motion carries, 8 = “yes” votes, 0 = “no” votes and 0 = abstentions.