



SUMMARY MINUTES

ABAG POWER Annual Board Meeting 2004

November 9, 2004

Joseph P Bort MetroCenter, 101 Eighth Street, Oakland, CA 94607-4756

WELCOME

Chairman Richard Averett opened the meeting of the ABAG POWER Board of Directors with introductions at 10:10 a.m.

The agencies having representative/s at this meeting and constituting a quorum were as follows:

Jurisdictions Represented

City of Alameda
 City of Foster City
 City of Fremont
 City of Gonzales
 City of Los Altos
 City of Millbrae
 City of Milpitas
 City of Oakland
 City of Orinda
 City of Pinole
 City of Salinas
 City of San Carlos
 City of San Mateo
 City of Santa Rosa
 City of Saratoga
 City of Union City
 City of Vacaville
 City of Vallejo
 City of Watsonville
 County of Contra Costa
 County of Napa
 Golden Gate Bridge, Highway & Transport. Dist.
 H.A.R.D.
 Housing Auth. Co. of Alameda
 R.A.F.C.
 Town of Atherton
 Town of Los Altos Hills
 Town of Moraga
 West County Wastewater District

Committee Representatives

Marge McLean
 John Lisenko
 Dave Millican
 Robert Galvan
 Jim Porter
 Ron Popp
 Emma Karlen
 Scott Wentworth
 Radha Wood
 Jim Schutz
 Miguel Gutierrez
 Richard Averett
 John deRussy
 Ed Buonaccorsi
 Thomas Scott
 Steve Sprotte
 Steve Strickland
 Mark Akaba
 Gabriel Gordo
 Terry Mann
 Martha Burdick
 Jennifer Mennucci
 Karl Zabel
 Tom Makin
 Teri Green
 Gregory L. Sam
 Maureen Cassingham
 Janine Gregory
 Brian E. Hill

**Other Members/Guests Present**

Patty Avery
Bill Kelly
Steve Ross
Patrick Tang

Proctor Engineering Group
PowerLight Corporation
Office of Ratepayer Advocates
City of Oakland

Staff:

Joseph Chan
Henry L. Gardner
Jerry Lahr
Eugene Y. Leong
Vina Maharaj
Kenneth Moy

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PUBLIC COMMENTS

There were no public comments.

CHAIRMAN'S OPENING REMARKS

Chairman Averett 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 2003-04 Executive Committee and the ABAG POWER Staff. Averett said that he was encouraged to see representation from a large number of jurisdictions which demonstrated the openness and willingness of government agencies to be involved in programs serving the public.

ELECTRIC PROGRAM WIND-UP

Jerry Lahr provided the members with a background, prior year actions and outstanding issues of the electric program wind-up process. Lahr said that the Executive Committee's goal to complete the Electric Program wind-up and distribute over \$24 million prior to the end of June, 2004 was efficiently accomplished. The distribution to members was made possible by the final resolution and receipt of the PG&E bankruptcy claim, as well as the Electric Program Wind-Up Agreement which allowed the release of other funds held by ABAG POWER. Lahr said that with this payout, the Electric Program saved members approximately 55% on their electric costs during the final year of the program. Spread over the entire period of the program this represented approximately 15% savings.

STAFF REPORT ON NATURAL GAS PROGRAM

Lahr provided the members with an overview of the Natural Gas Aggregation Program including a brief history, pricing strategy, gas consumption, rate comparison and opportunities and challenges. He mentioned that the ABAG POWER Natural Gas Program has been in operation since 1996.

Lahr said that the 2003-04 program year was the second year of the three-year program cycle, which currently runs through June 30, 2005. He said that during the past year ABAG POWER sustained its efforts to stabilize gas commodity costs. The Program continued to benefit from the



fixed-price gas supply contract entered into in July 2002, and in addition, entered into two additional fixed-price gas supply contracts. Because gas prices rose for most of the year, ABAG POWER's fixed price contracts were below the average market rate, and thus helped hold down costs to members. Ultimately, this strategy produced an end-of-year average price that was approximately 9% lower than PG&E's.

ABAG POWER's specific activities included: entering into longer-term gas supply agreements; programmatic changes such as splitting the functions of gas scheduler and gas supplier and creating a more diverse gas supply portfolio.

ABAG POWER staff and the Executive Committee urged all members to execute the revised Core Natural Gas Aggregation Agreement as soon as possible to allow staff maximum flexibility in making future gas purchasing decisions.

Lahr said that ABAG POWER was working towards increasing the size of the program during the upcoming year by adding new accounts and members, including "non-core" customers.

GUEST SPEAKER – SOLAR POWER PROJECTS

Bill Kelly of PowerLight Corporation made a presentation about pioneering projects with local governments and provided an update on the State's solar programs.

APPROVAL OF SUMMARY MINUTES OF OCTOBER 27, 2003 ANNUAL BOARD MEETING

Motion was made by Millican/S/DeRussy/29:0:0/C/ to approve the Summary Minutes of October 27, 2003 ABAG POWER Annual Board of Directors' meeting.

PROGRAM COMMENDATION/RECOGNITION

In recognition of personal contribution to the ABAG POWER Program – Specifically, the ingenuity, skill and determination with which the electric program wind-up process was implemented, Chairman Averett handed out Certificates of Appreciation to the following staff:

Ken Moy, Legal Counsel
Jerry Lahr, Program Manager
Joseph Chan, Finance Director
Vina Maharaj, Administrative Assistant
Jeff Kolin, Chairman 2003-04

ELECTION OF ABAG POWER OFFICERS (CHAIR AND VICE CHAIR)

Motion was made by Lisenko/S/Millican/29:0:0/C/ to elect Richard Averett, Finance Director of the City of San Carlos as Chairman and Steve Sprotte, Management Analyst of the City of Union City as Vice-Chairman of the ABAG POWER Executive Committee for Program Year 2004-2005.

**CONFIRMATION OF EXECUTIVE COMMITTEE MEMBERS**

Motion was made by Lisenko/S/Millican/29:0:0/C/ to approve the proposed ABAG POWER Executive Committee for 2004-2005 as follows:

Mark Akaba, City of Vallejo
Richard Averett, City of San Carlos, Chairman
Ed Buonaccorsi, City of Santa Rosa
Steve Sprotte, Vice-Chairman
Terry Mann, County of Contra Costa
Jennifer Mennucci, Golden Gate Bridge, Highway & Transportation District

CHANGES TO ABAG POWER BYLAWS

Ken Moy presented Resolution No. 04-01 and Attachment 1 proposing adoption of amendments to ABAG POWER Bylaws.

Motion was made by Emma Karlen/S/Ron Popp/29:0:0/C/

- To amend ABAG POWER Bylaws as proposed in Attachment 1 to the Resolution 04-01 and;
- To waive the notice and withdrawal date requirements of Section 11.2.3 and 11.2.4 of the Bylaws for any Member which is not currently participating in an ABAG POWER Program.

FY 04-05 FINANCIAL REVIEW

Joseph Chan presented the preliminary financial reports for fiscal year ending June 30, 2004. Chan said that the auditors were in the process of auditing the financial statements and the Audited Financial Statements would be available in December, 2004.

LOCAL GOVERNMENT ENERGY PARTNERSHIP (LGEP)

Lahr provided a status update and a review of the LGEP Program. He said that LGEP provides free expert assistance to help local governments save energy and money in local government facilities and within the local community. Lahr provided an overview, organizational structure, services provided by LGEP and a list of the current participants in the program.

COMMUNITY CHOICE AGGREGATION

Lahr provided an update on the status of Community Choice Aggregation implementation proceeding which is before the CPUC. Community Choice Aggregation (CCA) legislation, AB 117 was signed into law by Governor Davis in September 2002, and authorizes cities or counties to supply electricity to all entities within their jurisdiction upon approval of an "Implementation Plan." The rules for implementing this legislation have not yet been finalized.

CLOSED SESSION

Conference with Legal Counsel – Existing Litigation [Govt. C. Sec. 54956.9(a)]

At the reconvene of the Annual Board Meeting, it was announced that no action was taken in Closed Session.



ADJOURN

Chairman Averett adjourned the meeting at 1:05 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.