

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 2012-06

December 12, 2012

Metro Center, ABAG's Conference Room B

101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman Richard Sealana opened the meeting with introductions at 12:05 PM.

Committee Representatives

Mark Armstrong (Vice-Chair)

Julie Bueren

Angela Rush

Chris Schroeder

Richard Sealana (Chair)

Jurisdictions

City of Santa Rosa

County of Contra Costa

City of Richmond

City of Milpitas

City of Union City

Committee Representatives Absent

Laura Ryan

City of Pleasanton

Staff Present

Jerry Lahr

ABAG POWER

Vina Maharaj

ABAG POWER

Kenneth Moy

ABAG

PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

Chairman Sealana welcomed Julie Bueren, Director of Public Works from the County of Contra Costa to her first meeting of the executive committee. Bueren was appointed to the ABAG POWER Executive Committee at the ABAG POWER Annual Board Meeting of October, 25, 2012.

APPROVAL OF SUMMARY MINUTES OF AUGUST 15, 2012

Motion was made by Schroeder/S/Sealana/C/2:0:1 (Armstrong abstained) to approve the Summary Minutes of August 15, 2012 Executive Committee Meeting.

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REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 12-13

Lahr provided the members with the Monthly Summary of Operations report for FY 12-13. He updated the members on the percentage savings comparisons with PG&E. The cumulative savings for the period July through October, 2012 is 0.8%.

Gas Hedge Chart

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length). One of the long-term purchase contracts will expire in March, 2013. The other long-term contract will be in effect until the end of 2014.

Market Price Chart (3-year)

Lahr provided a 3-year comparison of gas prices.

2011-12 Natural Gas Program True-Up

Lahr presented and discussed the annual true-up for FY 2011-12. In aggregate the true-up represented an over collection of (\$1,762,453.56). This amount will be returned to members on the final 8 invoices of the current fiscal year (Nov '12– Jun '13).

Master accounts with a credit totaled (\$1,819,672.41).

Master accounts with a debit totaled \$57,218.85.

2012-2013 BUDGET UPDATE

Lahr updated the committee on the current year budget and expenses. The committee concluded that no changes to the current levelized billings are necessary at this time.

CTA Unrecovered Capacity Cost Invoices

PG&E sent their first invoice dated April, 2012 to ABAG POWER. ABAG and other CTA's have been allocated capacity on various pipelines. In the past CTAs were allowed to either accept or reject the capacity offered without any penalty. Now CTA's are required to pay for a portion of it, even if the capacity is rejected. The rejected capacity is offered at auction, and any proceeds are used to offset the costs. CTAs, including ABAG POWER, are responsible to pay for the remaining unrecovered capacity costs. These costs are expected to rise very significantly in the coming years.

From April to June, 2012, the first three invoices averaged \$630.00 per month. From July to November, the invoices jumped to an average of \$3,300 per month. ABAG POWER has budgeted \$18,000 for these unrecovered capacity costs for FY 2012-13, however, this amount is expected to rise up to \$40,000. Staff will keep a close watch on the monthly invoices and will recommend a revised budget if necessary.

ABAG ENERGY PROGRAMS UPDATE

Lahr provided information on the status of all current ABAG Energy programs.

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2013 Meeting Schedule

Motion was made by Schroeder/S/Rush/C/5:0:0 to approve the 2013 ABAG POWER Executive Meeting Schedule.

OTHER BUSINESS

None.

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

The Chair announced that no reportable action was taken.

ADJOURNMENT

Chairman Sealana adjourned the meeting at 1:30 pm.

/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.