



**ABAG POWER Executive Committee Special Meeting  
 May 31, 2017 (2:00 p.m. - 3:00 p.m.)  
 Association of Bay Area Governments  
 375 Beale Street, 7<sup>th</sup> Floor – CR 7102 Tamalpais  
 San Francisco, CA 94105**

**AGENDA\***

<b>Publicly Accessible Teleconference Locations</b>		
Association of Bay Area Governments Conference Room 7102 – Tamalpais 375 Beale Street, 7 <sup>th</sup> Floor San Francisco, CA 94105	City of Milpitas Finance Conference Room 455 E. Calaveras Blvd, 3 <sup>rd</sup> Floor Milpitas, CA 95035	City of Union City Public Works Administration 34009 Alvarado-Niles Rd Union City, CA 94587
14850 Slalom Way Truckee, CA 96161	Vallejo Flood & Wastewater District 450 Ryder Street Vallejo, CA 94590	City of Orinda Office of the City Manager 22 Orinda Way Orinda, CA 94563

- 1. Welcome and Introductions**
- 2. Public Comments**
- 3. ABAG – ABAG POWER Memorandum of Understanding (MOU)**  
 Information/Action: Staff will provide an update on the ABAG-MTC staff consolidation, the associated Contract for Services, and present the proposed MOU between ABAG and ABAG POWER for approval.  
 ATTACHMENT 3A – ABAG-ABAG POWER MEMORANDUM OF UNDERSTANDING
- 4. FY 2017-18 ABAG POWER Operating Budget – ABAG Fees**  
 Information/Action: Staff will discuss the preliminary 2017-18 Operating Budget, and will request approval of the ABAG Fees budget item.  
 ATTACHMENT 4A – PRELIMINARY 2017-18 PRELIMINARY OPERATING BUDGET  
 ATTACHMENT 4B – ABAG BUDGET & WORK PROGRAM [EXCERPT]
- 5. Other Business**
- 6. Adjournment**

\*The Committee may take action on any item on this agenda

MEMORANDUM OF UNDERSTANDING  
between  
ASSOCIATION OF BAY AREA GOVERNMENTS  
and  
ABAG PUBLICLY OWned ENERGY RESOURCES

This Memorandum of Understanding is entered into by and between the Association of Bay Area Governments (ABAG), a joint powers authority and ABAG Publicly OWned Energy Resources (POWER), a joint powers authority.

RECITALS

- A. Background. By resolution 97-19, the Executive Board of ABAG caused the formation of POWER in 1997 to provide energy services to public entities in the service territory of the Pacific Gas & Electric Company. Section 7(a) of the joint powers agreement (JPA) creating POWER appoints ABAG to implement the programs authorized by POWER. Generally, ABAG has done so through the use of ABAG staff and ABAG'S operating procedures and protocols. The POWER Bylaws provides that the POWER Board of Directors or Executive Committee appoint President, Chief Financial Officer and Secretary and those positions are currently filled by designated ABAG staff.
- B. ABAG – MTC Staff Consolidation. ABAG and the Metropolitan Transportation Commission, a regional planning agency created by state statute and the designated metropolitan planning organization/regional transportation planning agency for the San Francisco Bay area, decided to consolidate their respective staffs (Consolidated Staff) under the terms of a Contract for Services (CS) between ABAG and MTC which is attached hereto as Appendix A. The CS recognizes that ABAG remains as an independent legal entity with its own assets, liabilities, revenues and expenses.
- C. Contract for Services and POWER. The CS identifies and describes Local Collaboration Programs (LCPs) carried out by ABAG, including ABAG POWER. Current ABAG employees who perform work to implement and support POWER programs will be offered positions on the consolidated staff. Further, the CS includes provisions that, on their face, appear to commit the LCPs to specific courses of action or to affect how ABAG provides services to the LCPs. None of the LCPs, including POWER, is a signatory to, or a third party beneficiary of, the CS.

STATEMENT OF UNDERSTANDING

1. ABAG and POWER acknowledge that none of the terms of the CS are binding on POWER but that the inclusion of POWER in ABAG's budget and work plan (B&WP) for FY 2017-18, attached hereto as Appendix B, obligates MTC to provide services to POWER and obligates ABAG to pay for such services in FY 2017 -18 and a B&WP that includes POWER will be prepared for subsequent fiscal years. The parties will use the processes described in this MOU to ensure the satisfactory performance of services for POWER and timely payment for the same in FY 2017-18 and in subsequent fiscal years.
2. ABAG proposes to meet its obligations described in section A through services and functions provided to ABAG, and through ABAG to POWER, under the CS. POWER acknowledges this arrangement, accepts it as meeting the terms of the JPA and agrees to fund the portion of the POWER budget in the applicable approved B&WP.
3. Through the Consolidated Staff, ABAG will work with all the LCPs, including POWER to develop a schedule for the preparation of the B&WP for each fiscal year that coordinates with the schedules for each of the LCPs to develop their complete budget for that fiscal year.
4. ABAG and POWER acknowledge that ABAG serves as POWER's fiscal agent, including holding and managing POWER's assets of which the primary component is POWER's operating capital in the approximate amount of Two Million Seven Hundred Eighty-Five Dollars (\$2,000,785) as of June 30, 2017.
  - (a) Under section 3.3 of the CS, ABAG will assign this function to the Consolidated Staff.
  - (b) This will not change the fact that POWER's assets and liabilities remain POWER's.
  - (c) POWER will work with the Consolidated Staff to take steps necessary to implement section 3.3, including authority to open accounts on behalf of POWER, as needed and to invest funds in accordance with an adopted investment policy.
  - (d) Provisions in the CS that allow the LCPs, including POWER, to use LCP assets to provide financial support to ABAG and/or its programs, do not affect in any way POWER's authority over its assets and revenues. Any such support requires the consent of POWER and authorization by its Board of Directors or Executive Committee.
  - (e) Through the Consolidated Staff, ABAG will consult with POWER to determine the type, detail and timing of financial reports to POWER in carrying out the fiscal agent functions. These reports will be provided to POWER through ABAG's Finance and Personnel Committee.
5. Section 3.3 of the CS also provides that the Consolidated Staff will use MTC's rules for business operations in implementing the services to the extent they are compatible with ABAG policies. ABAG anticipates that some of MTC's standard business practices may differ from ABAG's. Where such differences have the potential to impact POWER, they will be identified in due course and POWER will be consulted to determine the best solution to accommodating POWER's programmatic needs. A preliminary list of such business practices

is set forth in Appendix C. Based on such consultation, ABAG will consult with MTC to identify a procedure that meets POWER's programmatic and policy needs and is compatible with MTC's business practices.

6. The CS provides for creation of the position of Deputy Executive Director for Local Government Services and that the person occupying that position will be the primary liaison between POWER and MTC and the consolidated staff. ABAG and MTC have agreed that ABAG's Acting Executive Director, Brad Paul will be appointed to that position.
7. The ABAG staff members who currently implement and support POWER's programs (Jerry Lahr and Ryan Jacoby) will be offered positions in the consolidated staff.
  - (a) If they accept the offers, ABAG expects that they will continue to perform those functions and will take steps to ensure that this occurs.
  - (b) If any decline the offer, ABAG will take the steps described in section 8.
  - (c) In either event, POWER will exercise its power of appointment of its officers to ensure efficiency and effectiveness in its use of the Consolidated Staff. ABAG's preference in this regard are:
    - (i) Brad Paul, Deputy Executive Director for Local Government Services as President;
    - (ii) Brain Mayhew, Chief Financial Officer, or his designee, as Chief Financial Officer and
    - (iii) Jerry Lahr (title to be determined and pending his acceptance of a position as a member of the Consolidated Staff) as Secretary.
8. Upon receipt of notice from MTC that any of the persons described in sections 6 and 7, or any of their successors, is leaving the position ascribed to him/her, ABAG will consult with POWER regarding the process, timing and criteria for filling the position and will work with MTC to ensure that ABAG's and POWER's concerns and expectations are met.
9. Section 3.4 of the CS states that the MTC Legal Department will provide general legal support services to the Consolidated Staff in their implementation of the B&WP for ABAG and the LCPs, including POWER. The Consolidated Staff will work with POWER to retain specialized legal services for POWER to be provided at POWER's expense.
10. ABAG and POWER acknowledge that section 9 of the CS provides for MTC to conduct a governance study of all LCPs, including POWER. This study will be conducted at no cost to POWER. Further, POWER will not be bound by the recommendations or results of the study and will retain all authority regarding its governance structure.
11. ABAG and POWER acknowledge that section 9 of the CS provides for the ABAG, MTC and the LCPs, including POWER, to mutually indemnify and hold each other harmless and to release claims arising out of the CS. ABAG and POWER acknowledge that section 9 does not bind POWER. The Consolidated Staff will carry out the requirements of section 11 of the CS regarding insurance and risk allocation and present the results of that process that includes a strategy for insurance and risk allocation that covers POWER. ABAG expects that this

strategy will induce POWER to forego any of POWER's claims against ABAG or MTC described in section 9.

12. Pursuant to section 3.5 of the CS, ABAG will receive quarterly progress reports from MTC regarding the services provided by the Consolidated Staff under the CS, including services to POWER. ABAG will forward such reports to POWER.
13. Pursuant to section 2.4 of the CS, ABAG will provide written reports to the Commission of MTC regarding the quality and manner in which services, programs and work products are delivered, observations on the potential reasons for any deficiencies and suggestions for improvements. The Commission is required to respond within 60 days. ABAG will consult with each LCP, including POWER, regarding service delivery to each LCP and include their opinions of same in its report to the Commission. ABAG will share with each LCP, including POWER, the Commission's response.
14. Section 14 of the CS provides a process for the resolution of disputes arising out of the CS. ABAG and POWER acknowledge that the processes described in sections 12 and 13 of this MOU and the referenced section of the CS are designed to identify and remedy any shortcomings in services provided to ABAG or the LCPs. If POWER has noted such a shortcoming and ABAG has transmitted the concerns to the and the Commission's response described in section 13 of this MOU is not satisfactory to POWER, ABAG will submit POWER's concerns through the dispute resolution process in section 14 of the CS.
15. Section 15 of the CS provides a process for termination of the CS. ABAG will consult with all the LCPs, including POWER, prior to terminating the CS or immediately upon receiving notice of an actual or potential termination of the CS. ABAG and POWER will use their best efforts to reach agreement on a mutually acceptable course of action. ABAG acknowledges that under the section 7(a) of the JPA POWER has the right to remove ABAG as the administering Member for POWER and that POWER may exercise that right due to termination of the CS or concerns regarding services provided under the CS, or for POWER's convenience.
16. All notices or other communications to the parties shall be made in writing which may include electronic communications such as email or digital documents attached to such email. The physical and email addresses for parties are set forth in Appendix D which may be revised from time to time without amending this MOU.
17. This MOU may be executed in counterparts, each of which is an original and all of which constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be effective with the approval of their legally authorized representatives on the dates indicated below.

Association of Bay Area Governments

Date: \_\_\_\_\_

\_\_\_\_\_  
Brad Paul, Acting Executive Director

ABAG Publicly OWned Energy Resources

Date: \_\_\_\_\_

\_\_\_\_\_  
Julia R. Bueren, Board Chair

Draft May 18, 2017

CONTRACT FOR SERVICES

between

METROPOLITAN TRANSPORTATION COMMISSION

and

ASSOCIATION OF BAY AREA GOVERNMENTS

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## CONTRACT FOR SERVICES

THIS CONTRACT FOR SERVICES (this "Agreement") is made and entered into as of the \_\_\_ day of Month, 20\_\_\_, by and between the Metropolitan Transportation Commission (herein called "MTC"), a regional transportation planning agency established pursuant to California Government Code § 66500 and the Association of Bay Area Governments, (herein called "ABAG"), a Council of Governments established by agreement among its members pursuant to the Joint Exercise of Powers Act, California Government Code Sections 6500, *et seq.*

### RECITALS

MTC is the federally designated Metropolitan Planning Organization ("MPO"), pursuant to Section 134(d) of Title 23 of the United States Code (USC) for the nine-county San Francisco Bay Area region (the "Bay Area" or "region").

ABAG was created in 1961 and serves as the Council of Governments for the 101 cities/towns and nine counties that make up the region with powers and responsibilities granted to it under the laws of the State of California.

In November 2015 MTC and ABAG agreed to jointly retain Management Partners to conduct a merger study and to propose a merger implementation plan.

At the June 2016 meeting of the ABAG Executive Board, it adopted Resolution 07-16 stating its support for merger options 4 and 7 and their respective implementation action plans as presented by Management Partners, with the ABAG Executive Board acknowledging moving forward with merger option 7.

On May 25, 2016 MTC adopted Resolution No. 4245 approving an implementation plan dated May 17, 2016 for merger option 7.

ABAG and MTC have concluded that this Agreement is the preferred means for ABAG and MTC to jointly pursue their respective missions and to carry out their respective responsibilities for the benefit of the San Francisco Bay region.

## TERMS AND CONDITIONS

### 1. DEFINITIONS

ABAG is a joint powers agency that serves as the region's Council of Governments with the statutory responsibilities and powers granted by the California Legislature including, but not limited to, (a) responsibility for preparation of portions of the region's sustainable communities strategy and (b) authority to adopt the regional housing need allocation (RHNA) plan. The ABAG Executive Board and/or its standing committees and Local Collaboration Program governing boards are referenced from time to time in this Agreement in order to represent the interests of ABAG.

ABAG Legacy Employees means the individuals identified in Section [5] of this Agreement, each of whom, as of the Effective Date, is currently an employee of ABAG and is expected, in accordance with the Employee Transition Plan, to accept an offer of employment at MTC.

'ABAG Retiree' means a current CalPERS annuitant who has retired from ABAG and any person who retires from ABAG.

Effective Date means the effective date of this Agreement as set forth above.

Employee Transition Plan means the plan for transitioning ABAG Legacy Employees to employment at MTC as described in Exhibit [B] to this Agreement.

Enterprise Board means the governing board of a LCP.

Local Collaboration Program (LCP) means, individually or collectively as the context may require, each of the following entities created by ABAG in collaboration with local governments to implement a regional program:

Bay Area Regional Energy Network (BayREN);

San Francisco Estuary Partnership (SFEP);

San Francisco Bay Trail (BayTrail) and Water Trail (Water Trail);

ABAG Finance Authority for Nonprofit Corporations (FAN);

ABAG Finance Authority (ABAG FA);

ABAG PLAN Corporation (PLAN);

ABAG Publicly Owned Energy Resources (POWER);

Shared Agency Risk Pool (SHARP); and

San Francisco Bay Restoration Authority (SFBRA).

MTC is a regional transportation planning agency established pursuant to California Government Code § 66500 and is the federally designated Metropolitan Planning Organization ("MPO"), pursuant to Section 134(d) of Title 23 of the United States Code (USC) for the nine-county San Francisco Bay Area region.

MTC ICAP Rate means the indirect cost allocation plan, as approved by the appropriate MTC oversight agency.

Operating Budget and Work Plan means each annual operating budget and work plan for ABAG prepared and submitted by MTC in accordance with Section [4] of this Agreement and approved by the ABAG Executive Board and, to the extent applicable, each LCP governing body. Each operating budget and work plan will describe, in detail, the scope of work to be performed by MTC and the compensation to be paid to MTC for services rendered.

Transitioned Employee means each ABAG Legacy Employee who, after cessation of his or her employment at ABAG, voluntarily accepts an offer of employment at MTC and becomes an employee of MTC.

## **2. PRESERVATION OF RESPONSIBILITIES AND MISSIONS OF ABAG AND THE LCPs**

The parties agree to use their best efforts to preserve, serve and secure the statutory powers and responsibilities of ABAG and the mission of ABAG as the region's Council of Governments following the Effective Date, and similarly to preserve, serve and secure the respective goals and missions of the LCPs. The activities and responsibilities described in this section should be approached in a manner that acknowledges that cities and counties are important partners in regional planning and that regional land use planning must be coordinated with local land use planning in order to succeed in building high quality neighborhoods.

A list of ABAG's statutory responsibilities is attached as Exhibit [A] and may be revised to reflect changes to those responsibilities and powers made by the California Legislature without formal amendment of this contract. To ensure that the services provided under this Agreement serve the goals and missions of ABAG and the LCPs, the parties agree as follows:

2.1 The Executive Director of MTC will perform the following duties and functions with respect to ABAG and the LCPs:

- (a) attend all regular meetings of the ABAG Executive Board and key committees (Administrative Committee, Finance and Personnel Committee, Legislation and Government Operations Committee, Regional Planning Committee) unless excused in advance by the President of such board or chair of the committee, or the attendance of another MTC senior manager is mutually agreed upon;
- (b) attend meetings of the LCP governing boards at which Operating Budgets and Work Plans are adopted by and for the LCPs; and
- (c) ensure that the approved Operating Budgets and Work Plans for ABAG and for each LCP will be implemented as approved, or as modified by ABAG or the LCP, as applicable;
- (d) attend the ABAG General Assembly(ies).

2.2 The Executive Director, the Deputy Executive Director for Local Government Services, the Deputy Executive Director of Policy, and other members of the MTC senior executive team will perform the following duties and functions on behalf of ABAG and the LCPs with the help of other appropriate MTC staff as needed:

(a) keep local elected officials, government officials and stakeholders informed on key issues of concern to the Council of Governments including land use, housing, economic development, social equity, resilience, transportation, open space, energy efficiency, RHNA, Plan Bay Area, and ABAG's Local Collaboration Programs in part, by:

- (i) meeting regularly with City Managers and Planning Directors at the county level;
- (ii) meeting with elected officials at regular countywide meetings of mayors and city council members;
- (iii) meeting with ABAG delegates at the county level on a regular basis; and
- (iv) conducting a robust stakeholder engagement process.

(b) serve as the primary links between ABAG's Executive Board, Committees and Local Collaboration Programs (LCP) and the MTC executive team and staff regarding issues such as Plan Bay Area, RHNA, housing, land use and LCP programs.

(c) work with appropriate MTC staff to help coordinate the work of MTC staff and ABAG Executive Board related to creating the Annual Budget & Work Plan for ABAG and its Local Collaboration Programs.

2.3 The members of ABAG and LCP's and the members of the policy bodies of ABAG and of the LCPs will continue to have access to, and ability to interact with, the MTC staff who provide services to them, that is commensurate with their respective roles as policymakers and staff.

2.4 ABAG shall provide written reports to the Commission regarding the quality and manner in which ABAG services, programs and work products are delivered, observations on the potential reasons for any deficiencies and suggestions for improvements. The Commission will respond to such reports within 60 calendar days and take them into account when reviewing MTC's satisfactory execution of its duties under the contract.

### **3. SERVICES**

#### **3.1 Standard of Professional Care**

In the performance of services under this Agreement, MTC will exercise professional care, skill, efficiency, and judgment commensurate with that of consultants with expertise in providing such services.

#### **3.2 Operating Budgets and Work Plans**

Except as otherwise identified in this Agreement or the applicable Operating Budget and Work Plan, MTC will assume responsibility for and perform all services and functions necessary to perform ABAG's annual Work Plan. MTC and ABAG will develop, present, seek approval for, and implement Operating Budgets and Work Plans as provided in Section [4].

#### **3.3 Financial Services**

All ABAG finance and accounting functions, including the treasury function, will be assigned to MTC to be completed within the period from the execution date to a year thereafter, in such fashion to close out the transition of all legacy systems in an orderly manner for MTC finance.

ABAG and MTC will develop a transition plan for all ABAG financial systems, including but not limited to: (1) treasury; (2) general ledger, including accounts payable and receivable; (3) budget; and (4) payroll. The transition will occur and MTC will be responsible for all financial systems on or about July 1, 2017.

MTC rules for administration, personnel, payroll, employee relations, purchasing, contracting and other business operations shall apply to the services provided here under, to the extent to which they are compatible with ABAG policies. Notwithstanding the foregoing, ABAG contracts exceeding \$50,000 or such other amount dictated by the ABAG Executive Board, shall be approved by the ABAG Executive Board.

MTC will provide necessary financial reports prior to each ABAG Finance and Personnel Committee meeting, provided, however that such reports shall not be required more often than on a monthly basis.

### 3.4 Legal Services

The MTC Legal Department will provide general legal support services to ABAG and the LCPs.

- (a) Potential Legal Conflicts of Interest. If ABAG, a LCP, or MTC determines in good faith that an actual or potential conflict of interest would exist if the MTC Legal Department were to provide legal services on a specific matter, then, unless the actual or potential conflict of interest is waived by the affected entities, then the affected entity whose matter gave rise to the actual or potential conflict of interest will obtain separate legal counsel. MTC shall not withhold consent or resources to hire outside counsel for ABAG in the event a legal conflict of interest; provided that ABAG independently obtains such separate outside counsel.
- (b) Obtaining Outside Specialized Legal Services. ABAG or a LCP may request that the MTC Legal Department retain outside legal counsel to provide specialized legal services. The MTC Legal Department shall promptly respond to any such request in writing by either (i) agreeing to engage outside legal counsel and commencing to work with ABAG or the LCP, as applicable, to retain such counsel on terms and conditions acceptable to MTC, the MTC Legal Department, and the requesting party or (ii) declining to engage outside legal counsel and providing a brief explanation of the reason(s) such request is being denied.
- (c) Nothing in this Agreement prevents or impairs the ability of ABAG or the LCP to directly retain outside legal counsel, at its own respective expense.

### 3.5 Progress Reports

MTC will provide to the ABAG Executive Board and to the governing bodies of the LCPs quarterly progress reports in form and substance reasonably acceptable to those bodies, detailing the services provided by MTC in the preceding fiscal quarter as well as major activities anticipated in the coming quarter.

#### **4. OPERATING BUDGETS AND WORK PLANS; STAFFING**

##### **4.1 Development and Approval**

No later than January 1 of each year, the program managers of each program that is implemented, in whole or in part, for ABAG and of each program implemented for the LCPs will develop a schedule for the development of the Budget and Work Program for their respective program for the next fiscal year. Each schedule will take into account the processes and timelines for the applicable MTC, ABAG and LCP policy bodies to approve a Budget and Work Plan.

Each Budget and Work Program will include all of the following that is applicable to that program for that year:

- (a) description of programmatic activities for that fiscal year;
- (b) proposals for expansion of a current programmatic activity;
- (c) proposals for a new program (see section 4.2 regarding funding new programs);
- (d) description of programmatic activities that will be discontinued in that fiscal year;
- (e) a budget showing the revenue(s) needed to support the proposed Work Plan for that budget year;
- (f) identification of the source of the revenue(s) described in subsection (e) and
- (g) any contingency plan(s) needed to address programmatic uncertainties or budgetary shortfalls.

Each Budget and Work Plan that is approved by all the applicable MTC, ABAG and LCP policy bodies will be implemented in accordance with section 4.2. The Deputy Executive Director for Local Government Services will be responsible for securing the approval of the LCP policy bodies.

If a Budget and Work Plan is not approved by all the applicable MTC, ABAG and LCP policy bodies, the prior year's Budget and Work Plan will remain in effect until the new Budget and Work Plan is approved. The parties may at their discretion use the dispute resolution procedures contained in Section 13 to resolve any differences on proposed new Budget and Work Plans.

Following consultation with ABAG and the FAN Executive Committee, MTC will administer the current FAN portfolio in runout mode such that there will be no new debt issuance under the FAN name. During the FAN runout mode, MTC will evaluate the current FAN debt portfolio for refinancing opportunities and make recommendations to the FAN Executive Committee to authorize refinancing of debt issues that meet credit and economic conditions developed and approved by the FAN Executive Committee. The consolidated staff working for MTC will, no later than \_\_\_\_\_, create a successor ABAG-affiliated conduit financing authority, which shall be a new legal entity with a new name and a new governing body (the ABAG Executive Board or its designee), to continue to meet the conduit financing needs of the region and of ABAG's member jurisdictions.

## 4.2 Revenues

- (a) The ABAG Executive Board and the LCP governing bodies will collaborate and agree on annual work plans and budgets that identify existing revenues needed to support the current work plans and obligations set forth in Section 4.1. As part of this annual process, the ABAG Executive Board and the LCP governing bodies will make best efforts and adopt strategies to identify and secure any additional revenues that may be needed to support the anticipated work plans and obligations set forth in Section 4.1 for that fiscal year. With regard to any new programs proposed by ABAG, if that program is one that solely supports ABAG's services, programs and mission, ABAG will be responsible for securing the funding for that program. If a new program is one that is jointly proposed by ABAG and MTC, the two agencies will agree on how to jointly fund the program.
- (b) Throughout the term of this Agreement, MTC will provide continued financial support for ABAG's and MTC's statutory responsibilities, joint planning responsibilities and integrated work plan.

## 4.3 MTC Staffing

The MTC employees identified as part of the Budget approval process (which shall contain an organization chart) will be responsible, commencing as of the Effective Date, for providing the services under this Agreement, both to ABAG and to the LCPs. Except as provided in section 6, MTC may remove, replace or add to the list of MTC employees below at any time as needed in the judgment of MTC.

## 5. COMPENSATION AND METHOD OF PAYMENT

### 5.1 Compensation

For the first fiscal year in which services under this Agreement commence, ABAG will pay to MTC compensation equal to the amounts scheduled to be paid under pre-existing adopted work plans and budgets for ABAG in that fiscal year.

For all subsequent fiscal years, ABAG will compensate MTC based upon amounts specified in each of the approved Operating Budget and Work Plan for such fiscal year.

Compensation structures may include, subject to budget discussions between MTC and ABAG:

- (a) total or partial cost recovery by MTC, based upon a breakdown of personnel costs, direct costs, and indirect costs;
- (b) total funding by MTC of select entities or programs;
- (c) subsidy of select entities and programs by MTC;
- (d) subsidy of select entities and programs by ABAG; and/or
- (e) subsidy of programs by one or more LCP.

## 5.2 Overhead and Administrative Costs

The overhead and administrative rate applied to work performed by MTC staff will be the MTC ICAP Rate except for the San Francisco Estuary Partnership (SFEP) and as the parties may otherwise agree in the applicable Budget and Work Plan or under section 5.1.

## 5.3 Payment Procedure and Method

ABAG will compensate MTC promptly in accordance with the payment schedule set forth in each Operating Budget and Work Plan, without netting or set-off except as agreed to in writing, in advance, by MTC in its sole discretion.

Payment to MTC will be made by wire transfer.

## 6. EMPLOYMENT OF ABAG LEGACY PERSONNEL

ABAG Legacy Employees are expected to become employees of MTC in accordance with the Employee Transition Plan. Each Transitioned Employee's general duties and responsibilities will be equivalent to his or her prior duties and responsibilities as an ABAG employee. ABAG agrees to terminate all employees (including but not limited to ABAG Legacy Employees) to be employed by MTC immediately prior to MTC's offer of employment to such employees. ABAG and MTC executive and human resources personnel shall coordinate the timing of such termination and offer of employment so as to effectuate a seamless and sequential termination and offer of employment with the least amount of lag time between the two events.

ABAG represents and warrants that: (a) there are no current open disciplinary actions related to employees proposed to transition to MTC and (b) the information regarding employee benefits, including its CalPERS account, retiree medical benefits, and sick account accruals provided by ABAG and inserted in the Transition Plan is complete and accurate.

Exhibit B1 identifies ABAG Legacy Employees.

### 6.1 Pension Obligations and Other Employee Benefits

ABAG Legacy Employees are currently represented by the Service Employees' International Union (SEIU), Local 1021, and are part of the California Public Employees' Retirement System (CalPERS). ABAG and MTC will cooperate and coordinate their discussions with SEIU Local 1021 and CalPERS to facilitate the transition of ABAG Legacy Employees from ABAG employment to MTC employment.

The parties hereby agree with respect to any and all Transitioned Employees that ABAG shall have no direct control over any such Transitioned Employees. Such Transitioned Employees shall be treated for all purposes as common law employees of MTC and shall have the same benefits and be subject to the same employment policies as existing MTC employees, provided however that certain accommodations shall be made on a case by case basis with regard to accrued sick time and vacation time as individual Transitioned Employee cases warrant.

ABAG agrees that it will not at any time during the term of this Agreement take any action to terminate its existing contractual relationship with CalPERS and will take all steps necessary to



maintain its existing contractual relationship with CalPERS, including but not limited to making annual payments to CalPERS as required by under such contractual arrangements.

## 6.2 Make-Whole Provisions Regarding CalPERS Liabilities.

Notwithstanding anything to the contrary in this Agreement, in the event that CalPERS makes a determination contrary to the intent of this Agreement with respect to the status of Transitioned Employees as common law employees of MTC ("Adverse Determination"), MTC agrees to make ABAG and Transitioned Employees whole, and ABAG agrees to make MTC whole, as set forth in this Section 6.2, such that the final financial consequences of the Adverse Determination shall reflect the financial assumptions made at the time this Agreement is executed.

### (a) Adverse Impact on ABAG.

If, as a result of an Adverse Determination, ABAG incurs a payment obligation to CalPERS with respect to service credit accrued by Transitioned Employees on or after July 1, 2017 while employed by MTC, irrespective of CalPERS' determination regarding the common law employment status of Transitioned Employees, MTC shall do the following:

- (i) Provide funds to ABAG, in the manner set forth in Section 6.2(a)(ii), in an amount equal to ABAG's ongoing CalPERS liabilities with respect to pension benefits accrued by Transitioned Employees as of July 1, 2017 until the termination of their employment by MTC. The determination of any amounts due under this provision shall be made by a state-recognized actuarial entity with CalPERS expertise, selected by mutual agreement of MTC and ABAG. Such amount shall be calculated, at least annually, by reference to the normal cost and unfunded actuarial accrued liability in the annual CalPERS actuarial valuation report for ABAG, and shall include any administrative fees assessed by CalPERS on ABAG. MTC's obligations under this Section 6.2(a)(i) shall continue until ABAG no longer has an obligation to fund CalPERS liabilities with respect to service credit accrued by Transitioned Employees on or after July 1, 2017.
- (ii) Upon an Adverse Determination, establish a trust under Internal Revenue Code Section 115 ("115 Trust"), for the limited purpose of prefunding pension liabilities, and shall contribute to the 115 Trust the amounts due under Section 6.2(a)(i). The 115 Trust shall be funded by MTC according to a schedule agreed upon by the parties, but no less than annually. The 115 Trust shall be held in ABAG's name in order to allow ABAG to control disbursement of funds from the 115 Trust to CalPERS in satisfaction of ABAG's CalPERS liabilities with respect to service credit accrued by Transitioned Employees on or after July 1, 2017. MTC shall have control over the investment of the 115 Trust assets.
- (iii) During ABAG's continued receipt of the funds described in Section 6.2(a)(i) from MTC, the Transitioned Employees shall have sole recourse to ABAG, and ABAG will indemnify and hold MTC harmless from any claims of such Transitioned Employees related to CalPERS retirement benefits. ABAG's indemnification obligations described in the preceding sentence shall cease in the event that MTC fails to make a scheduled funding payment under Section 6.2(a)(ii) and such failure is not corrected within 90 days of the scheduled payment date.

(b) Adverse Impact on Transitioned Employees.

If, as a result of an Adverse Determination, any Transitioned Employee does not or will not receive the CalPERS retirement benefits that he or she would receive as common law employees of MTC exclusively, MTC and ABAG will attempt to equalize retirement benefits for Transitioned Employees, such that the total CalPERS retirement benefits they will receive for service credit accrued on or after July 1, 2017 while employed by MTC are no less than what they would receive for the same service credit if CalPERS were to determine that they are common law employees exclusively of MTC. Should full equalization of benefits not be achieved after reasonable efforts by ABAG and MTC, MTC shall do the following:

- (i) Make payments, no less frequently than annually, directly to each Transitioned Employee upon their retirement, in an amount equal to the difference between:
  - (1) The annual retirement benefit allowance that the Transitioned Employee would have received from CalPERS for service credit accrued on or after July 1, 2017 as a common law employee of MTC exclusively, and
  - (2) The annual retirement benefit allowance that the Transitioned Employee actually receives from CalPERS for service credit accrued on or after July 1, 2017 while employed by MTC, irrespective of CalPERS' determination regarding the common law employment status of Transitioned Employees.

The determination of any amounts due to Transitioned Employees under this provision shall be made by a state-recognized actuarial entity with CalPERS expertise, selected by mutual agreement of MTC and ABAG.

- (ii) The Transitioned Employees shall have sole recourse to MTC with respect to payments under Section 6.2(b)(i), and MTC will indemnify and hold ABAG harmless from any claims related to such payments.

(c) Adverse Impact on MTC.

If, as a result of an Adverse Determination, MTC experiences adverse financial impact, such that the final financial consequences of the Adverse Determination do not reflect the financial assumptions made at the time this Agreement is executed with respect to CalPERS pension liabilities, ABAG shall make MTC whole by depositing within one fiscal year the amount determined applicable by a state-recognized actuarial entity with CalPERS expertise, selected by mutual agreement of MTC and ABAG.

(d) Administration of Corrections.

MTC will administer any corrective action required by CalPERS related to the Adverse Determination, including, but not limited to, reversal of credited service and compensation reported to CalPERS by MTC, except to the extent that the corrective action pertains to ABAG reports to CalPERS.

### 6.3 Changes in Employment Status

During the first fiscal year after the Effective Date, prior to making any employment change (including but not limited to termination, reassignment, or promotion) with respect to any Transitioned

Employee, MTC will provide the ABAG Executive Board with 30 days prior written notice of the intended change before any action is taken. No Transitioned Employee may be terminated, reassigned, or promoted during such period without prior written notice to the ABAG Executive Board and the affected LCP, if applicable.

#### 6.4 Employee Transition Plan

MTC will follow the terms of the Employee Transition Plan set forth in Exhibit [B], which sets forth various one-time provisions applicable to Transitioned Employees.

#### 6.5 Plan for Staff Consolidation

Transitioned Employees will transition to MTC by July 1, 2017.

#### 6.6 LCP Staffing and Officers

ABAG agrees to make best efforts to work with the LCPs to formally modify any relevant agreements to allow staffing at the LCPs to be contracted to MTC. In those instances in which one or more former ABAG staff members serve in “dual capacities,” sitting as officers of LCPs by virtue of their former positions within ABAG, all reasonable efforts will be made to formally modify relevant agreements or otherwise put legal arrangements in place such that MTC staff, will serve as officers of such LCPs.

#### 6.7 SFEP Staff

The current existing staff, with the exception of the three staff performing permit work for the Regional Water Quality Control Board, will move the location of their employment from 1515 Clay Street, Suite 1400, Oakland, CA to 375 Beale Street, San Francisco, CA, at such time as the space at 375 Beale Street is ready for occupancy. MTC will pay for the costs of moving the SFEP staff to 375 Beale Street.

#### 6.8 Pension and Medical Benefits

- (a) ABAG will retain sole financial responsibility for meeting its annual obligation for outstanding CalPERS pension obligations and retiree medical benefits, and will make meeting such obligations its highest budgetary priority permitted by law.
- (b) In the event of need to fund the obligation referenced in (a), the first priority for use of excess revenues from ABAG’s new financial services joint powers authority will be to meet the obligations referenced in subsection (a).
- (c) In the event that the ABAG dues and revenues described in subsection (b) are insufficient and ABAG is unable to meet the obligations referenced in subsection (a), MTC will use its best efforts to assist ABAG in raising new revenues required to make these payments; however in no event shall MTC be responsible for nor assume the obligation to make such payments under subsection (a) above.

## **7. RESPONSIBILITIES OF MTC PERSONNEL**

### **7.1 Personnel**

Attached as Exhibit [C] is the MTC organization chart identifying all of the employees of the consolidated staff as of the Effective Date. This organization chart will be updated annually or as changes are made so that the ABAG policy bodies and LCP governing boards have up to date information on people staffing their programs.

## **8. GOVERNANCE STUDY**

MTC and ABAG agree to conduct a governance study on the ABAG LCPs and to present the findings to the ABAG Executive Board and appropriate LCP Boards for consideration. The objective of the governance study will be to increase accountability to the ABAG Executive Board and efficiency in the operation of the LCPs.

## **9. RELEASE OF CLAIMS**

ABAG, the LCPs, and MTC mutually agree to indemnify and hold each other harmless for any breach of this Agreement, and agree to release any and all claims between or amongst each other arising out of this agreement.

## **10. INSURANCE AND RISK ALLOCATION**

### **10.1 Engagement of Consultant(s)**

MTC and ABAG will jointly engage a professional risk manager and an insurance broker (who may be the same party) to develop a proposed allocation of legal risk (claims from third parties) between and among MTC, ABAG and the LCPs during the term of the Agreement. The process for selecting and engaging such party or parties will be as follows:

- (a) Not more than 60 days after the Effective Date, MTC will initiate, by procurement procedures employed by MTC in the ordinary course of business, a request for proposals/qualifications (the "Solicitation") for the services described above and to assist and advise MTC in procuring and implementing the policies and practices set forth in subsection 10.2.
- (b) MTC staff will review responses to the Solicitation and evaluate them based on factors such as responsiveness, qualifications/reputation, and cost, and will select one or more preferred providers.
- (c) MTC staff will present the choice of the selected provider(s) to the MTC Administration Committee and the ABAG Finance and Personnel Committee for approval.

### **10.2 Insurance Policies**

Upon retention of the consultant retained pursuant to subsection 10.1, MTC will work with the consultant to undertake the following:

- (a) ABAG, the LCPs, and MTC will be insured under one blanket comprehensive general liability policy, professional errors and omissions policy (if applicable) and crime and

fidelity policy. ABAG, the LCPs, and MTC will be insured under separate public officials and directors and officers errors and omissions policy

- (b) The allocation of the costs of deductibles under the policy described in the immediately preceding paragraph will be determined on a case by case bases under criteria and processes to be agreed upon by the parties after the Effective Date;
- (c) MTC will be insured under a separate employment practices policy; and
- (d) The costs of any uninsured claims made against either of the parties will be allocated on a case by case basis under criteria and processes to be agreed upon by the parties after the Effective Date.

### 10.3 Business and Programmatic Risks

The parties agree that existing business and programmatic risks will remain with the entity responsible for the relevant business or program.

## 11. NOTICES

All notices or other communications to either party by the other will be deemed given when made in writing and delivered, mailed, emailed, or faxed to such party at their respective addresses as follows:

To MTC:	Attention: Alix Bockelman Metropolitan Transportation Commission 375 Beale Street, Suite 800 San Francisco, CA 94105 Email: ABockelman@mtc.ca.gov
To ABAG:	Attention: ABAG President ABAG Vice President Chair, ABAG Finance Committee ABAG Administrative Committee members address: home address for each person Email: email address for each person cc: MTC Deputy Dir. for Local Gov't Services

## 12. DURATION OF AGREEMENT

This agreement and the services hereunder will continue unless terminated in accordance with the terms herein.

## 13. DISPUTE RESOLUTION

- (a) ABAG and MTC shall use good faith efforts to resolve all disputes informally. In the event such efforts are unsuccessful, either party may request that MTC provide a written determination as to the proposed resolution of the dispute. Within 30 calendar

days of the request, the MTC Administration Committee shall provide a written determination as to the dispute, including the basis for its decision.

Upon the ABAG Administrative Committee's written acceptance of the MTC Administration Committee's determination, the Agreement may be modified and the determination implemented.

If the MTC Administration Committee's determination is not accepted by the ABAG Administrative Committee, the matter shall promptly be referred to the joint MTC board and the ABAG Executive Board for consideration.

If the joint MTC board and ABAG Executive Board cannot agree, they shall retain a facilitator to assist them in reaching a joint resolution.

- (b) For disputes described in subsection (c), if the joint MTC board and ABAG Executive Board cannot agree, said dispute shall be referred to binding arbitration using a JAMS binding arbitration panel of three (3) individuals with Governmental/Public Agency expertise selected in accordance with JAMS Rule 15 and using JAMS' Expedited Procedures without right of appeal.
- (c) Binding arbitration, as described in subsection (b), may only be used for disputes that meet the following criteria:
  - (i) limited to the interpretation of this Agreement and
  - (ii) do not arise out of, or have potential impacts on, the exercise of policy prerogatives, statutory powers or responsibilities, of either or both ABAG and/or MTC.

## 14. TERMINATION

### 14.1 Termination for Cause

If (i) MTC does not deliver the work products specified in this Agreement in accordance with the mutually agreed upon delivery schedule or fails to perform in the manner called for in the Agreement, as set forth in Section 3 of this Agreement, or (ii) if MTC or ABAG fail to comply with any other material provision of the Agreement, then (A) in the first instance under (i) ABAG may terminate this Agreement for default and (B) in the second instance under (ii) MTC may respectively terminate for ABAG's failure or ABAG may respectively terminate for MTC's failure.

Termination shall be effected by serving a thirty (30) day advance written notice of termination on the affected party, setting forth in detail the manner in which the affected party is in default. If the affected party does not cure the breach or describe to the complaining party's satisfaction a plan for curing the breach within the thirty (30) day period, commencing on the date of receipt of the notice ("Cure Period"), the complaining party may terminate the Agreement for default, subject to the procedures set forth in Section 13, which shall first require dispute resolution as set forth in Section 13(a), and if unsuccessful, arbitration as set forth in Section 13(b). The final decision in arbitration shall determine whether and when termination shall occur. In the case of (i), if MTC is working diligently to cure the alleged failure of performance, the parties will extend the Cure Period by mutual agreement. The Cure Period may be extended a maximum of six (6) thirty day periods.

If MTC's failure to perform resulted from unforeseeable causes beyond the control of MTC, such as a strike, fire, flood, earthquake or other event that is not the fault of, or is beyond the control of MTC, ABAG, after setting up a new delivery or performance schedule, shall allow MTC to continue work.

**14.2 Notice of Termination**

Notice will be given by Certified Mail or Personal Service to the address specified in Section 11.

**14.3 Payment for Services Rendered Following Notice of Termination**

MTC will be compensated for all work performed up to and including the date of termination of this Agreement, notwithstanding the delivery of any notice under this Section 14, provided that MTC will not be compensated for any work that is under dispute and identified in the notice provided under section 14.1.

**15. CHOICE OF LAW**

All questions pertaining to the validity and interpretation of the Agreement will be determined in accordance with the laws of the State of California applicable to agreements made and to be performed within the State.

**16. PARTIAL INVALIDITY**

If any term or condition of this Agreement is found to be illegal or unenforceable, such term or condition will be deemed stricken and the remaining terms and conditions will remain valid and in full force and effect.

**17. BENEFIT OF AGREEMENT**

The Agreement will bind and benefit the parties hereto and their heirs, successors, and permitted assigns.

**18. ENTIRE AGREEMENT; MODIFICATION**

This Agreement, including any attachments, constitutes the complete agreement between the parties and supersedes any prior written or oral communications. This Agreement may be modified or amended only by written instrument executed by both ABAG and MTC. In the event of a conflict between the terms and conditions of this Agreement and the attachments, the terms of this Agreement will prevail.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first written above.

METROPOLITAN TRANSPORTATION  
COMMISSION

ASSOCIATION OF BAY AREA  
GOVERNMENTS

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Jake Mackenzie, Chair

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Julie Pierce, President



## **APPENDIX C**

POWER Business Practices  
For  
Discussion with Consolidated Staff/MTC

1. POWER program manager has authority to enter into natural gas purchase contracts in amounts that are not bounded and for durations up to three (3) years. Any limitations or controls on such authority must allow for decisions to occur in a timely manner that includes, but are not limited to, immediate purchases to meet load requirements, response to changing market conditions and time limited offers. To the extent that any limitations or controls are based on potential financial risks, they will be evaluated in light of (a) the risk being limited to POWER and its assets and (b) the risk being exercised by the Consolidated Staff on behalf of POWER.
2. POWER performs an annual 'true up' of amount paid by POWER members in a given fiscal year and the actual costs of the natural gas and services provided. Any changes to the process for performing this function will first be presented to POWER for its approval.

## APPENDIX D

1. Notices or other communications to ABAG for any matter other than those covered by section 12 – 14 of the MOU shall be sent to:

Metropolitan Transportation Commission  
Attn: Deputy Executive Director of Local Government Services  
375 Beale Street, 8<sup>th</sup> Floor  
San Francisco, CA 94105-2178

Email Address: BradP@abag.ca.gov

2. Notices or other communications to ABAG for matters covered by section 12 – 14 of the MOU shall be sent to:

Julie Pierce  
ABAG President and City of Clayton Councilmember  
City Hall  
6000 Heritage Trail  
Clayton, CA 94517

Email Address: Julie\_Pierce@comcast.net

Karen Mitchoff  
ABAG Finance and Personnel Committee Chair  
Contra Costa County Supervisor  
2151 Salvio St., Suite R  
Concord, CA 94520

Email Address: SupervisorMitchoff@bos.cccounty.us

3. Notices or other communications to POWER shall be sent to:

Julie Bueren  
ABAG POWER Chair  
Contra Costa County Public Works Dept  
255 Glacier Drive  
Martinez, CA 94553

Email Address: Julie.Bueren@pw.cccounty.us

# ABAG POWER

## Preliminary Operating Budget

Fiscal Year Ending June 30, 2018

	<u>Natural Gas</u>			% Change
	<u>FY 2016-17</u> <u>Approved (1)</u>	<u>FY 2016-17</u> <u>Projected (2)</u>	<u>FY 2017-18</u> <u>Proposed</u>	
<b>Revenues</b>				
Sale of Energy	\$ 7,908,190	\$ 7,972,140	\$ 7,646,331	-3.3%
Interest Income - Banks/LAIF	12,000	20,537	12,000	0.0%
Total revenues	<u>7,920,190</u>	<u>7,992,677</u>	<u>7,658,331</u>	-3.3%
<b>Cost of energy</b>				
Cost of Energy Used	2,963,332	2,743,011	2,968,009	0.2%
PG&E Pass-Through Costs	<u>4,520,926</u>	<u>4,310,078</u>	<u>4,335,633</u>	-4.1%
Total cost of energy	7,484,259	7,053,089	7,303,643	-2.4%
<b>Other Energy Costs</b>				
Meter fees	-	-	-	
Total Other Energy Costs	-	-	-	
<b>Program Expenses</b>				
Billing Costs, external	900	(708)	900	0.0%
Scheduling agent fees	16,800	16,800	16,800	0.0%
ABAG fees	398,731	309,944	317,488	-20.4%
Interest Expense/Bank Charges	9,500	9,336	9,500	0.0%
Legal Expenses (outside)	10,000	-	10,000	0.0%
Other Expenses	-	-	-	
Total Program Expenses	<u>435,931</u>	<u>335,372</u>	<u>354,688</u>	-18.6%
Total expenses	<u>7,920,190</u>	<u>7,388,461</u>	<u>7,658,331</u>	-3.3%
True-up Adjustment	-	604,215	-	
Core Annual Usage (Dths):	637,316	646,153	614,593	-3.6%
Noncore Annual Usage (Dths):	69,364	88,976	81,152	17.0%
Core Gas Commodity (3) (\$/Dth):	\$4.23	\$3.76	\$4.30	1.8%
Noncore Gas Commodity (3) (\$/Dth):	\$3.88	\$3.56	\$3.99	2.7%
PG&E Pass-through (\$/Dth):	\$7.09	\$6.67	\$7.05	-0.6%
Program Expenses (4) (\$/Dth):	\$0.60	\$0.43	\$0.49	-17.9%
Core Total Rate (\$/Dth):	\$11.92	\$10.85	\$11.85	-0.6%
Noncore Total Rate (\$/Dth):	\$4.48	\$3.98	\$4.48	-0.1%

Notes:

- (1) Approved budget June 2016
- (2) Actual March 2017 financials projected through June
- (3) Storage costs allocated to core accounts only
- (4) Program expenses minus interest income



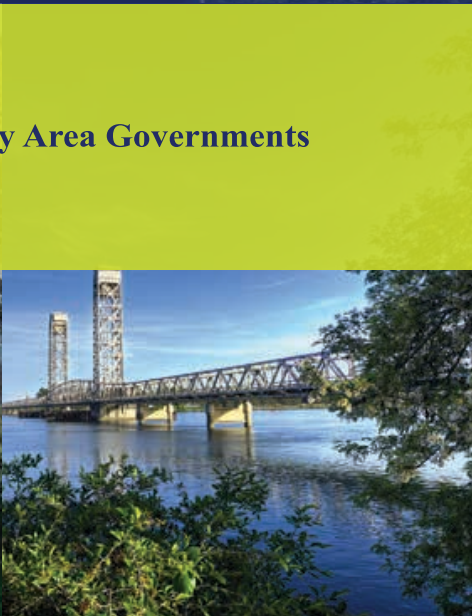
# ABAG BUDGET & WORK PROGRAM

PROPOSED

FISCAL YEAR **2017-18**



Association of Bay Area Governments

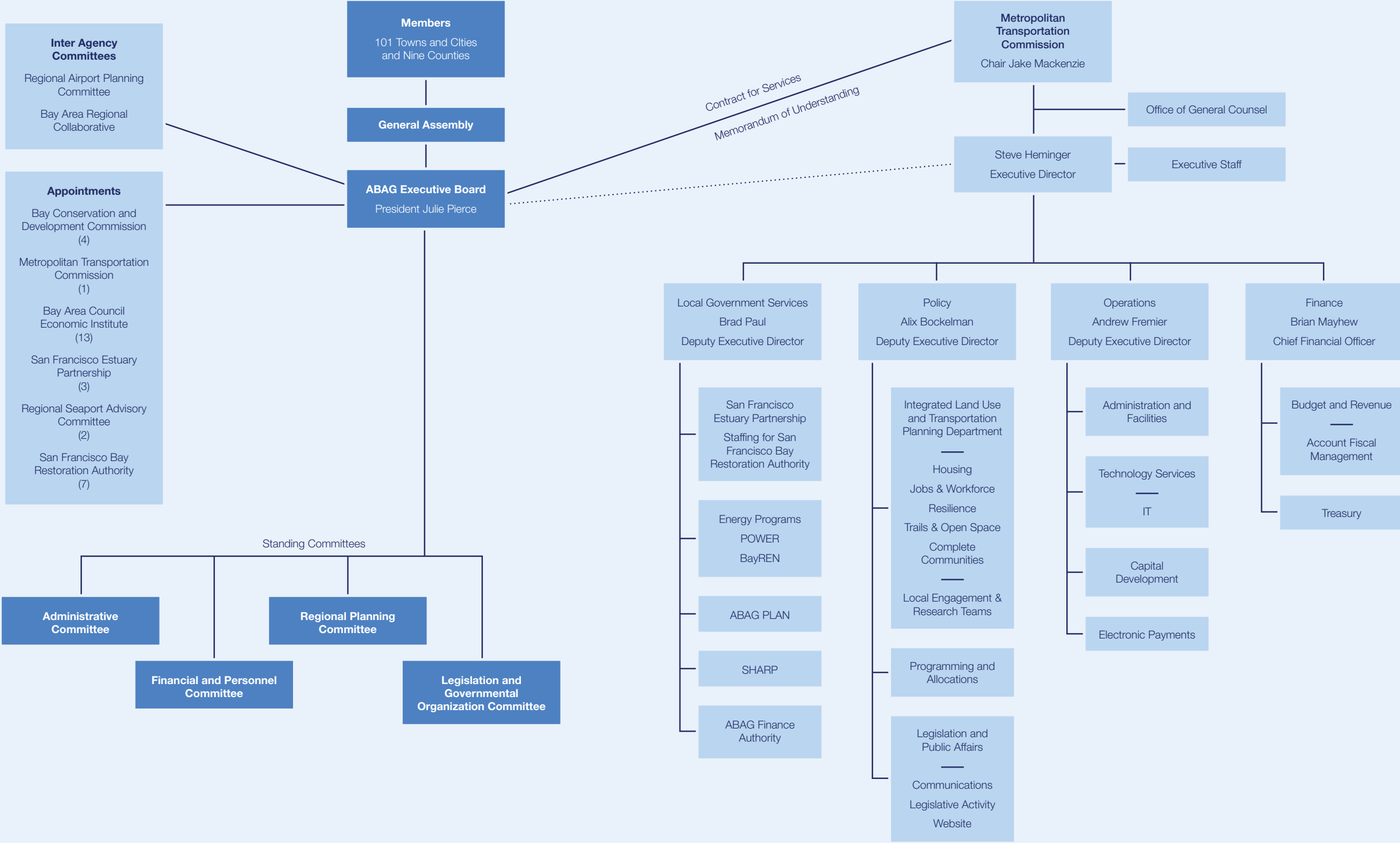




**GOVERNANCE CHART**



**CONSOLIDATED ORGANIZATIONAL CHART**



# POWER



## SECTION 03

LOCAL  
COLLABORATION  
PROGRAMS



Since its formation in 1998, ABAG POWER has played a critical role in serving the energy needs of many local governments and public agencies in the Bay Area. Since its inception in a time of rapidly evolving energy markets, the objective of the program has been to provide leadership for local governments in the areas of energy procurement and energy management by creating voluntary, region-wide energy purchasing pools administered by ABAG POWER. Pooled purchasing allows the program to negotiate preferential pricing of energy supply for use in public facilities like hospitals, police and fire stations, zoos, and community centers. Today, the program strives to fulfill measurable and often competing goals of cost savings and price stability. These goals differ from that of Pacific Gas & Electric Company (PG&E) which is incentivized to provide low-cost gas on a near term (monthly) basis.

ABAG POWER's natural gas purchasing pool recently completed its nineteenth year of operation and currently serves nearly 40 member agencies throughout PG&E's service territory. Each member is guaranteed a voice in program operations and decisions through its representative to the ABAG POWER Board of Directors and Executive Committee. The pool's annual usage footprint is roughly equivalent to gas usage from 12,000 homes in California. For much of the past year, market rates for natural gas declined significantly and remained relatively low, however, price volatility remains a significant risk and can be caused by many factors including abnormal weather patterns, political instability, the price of alternative products (e.g., oil), and regulatory actions. ABAG POWER closely monitors these price volatility factors as part of their service and continues to follow regulatory actions that may affect the natural gas and electrical energy markets.

### 2016-17 HIGHLIGHTS

- ABAG POWER's commodity rates remained more stable than PG&E's during the past fiscal year
- The recent addition of a promising natural gas supplier and continued refinements to the program's gas purchasing strategy provide increased potential for savings.
- Recently, the program has seen three consecutive year-on-year decreases in ABAG's administrative operating fees.

### 2017-18 GOALS

- The Executive Committee will continue to discuss and analyze refinements to the gas purchasing strategy and customer service and billing/reporting aspects of the program.
- In coming years, continue efforts to fulfill environmental responsibility and sustainability by promoting use of renewable gas where appropriate.
- Continue to examine opportunities to expand the program's membership while successfully adapting to California's aggressive environmental policy goals.



**PROPOSED  
REVENUES  
BY FUNDING  
SOURCES**

REVENUES	BUDGET			
	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ADOPTED	FY 17-18 PROPOSED
<b>OTHER CONTRACTS</b>				
BALANCE Foundation	\$12,025	\$17,044	\$12,500	
Haz Waste MOU Committee	77,455	90,927		
MTC	429,871	376,986	911,439	\$477,500
MTC Tenant Improvements			550,000	
Santa Clara Water District	120,669	133,004	172,150	172,150
Fiscal Agent Services (WETA)	108,717	114,688	129,000	
Alameda County SFEP	151,652	166,514	158,266	168,573
Coastal Conservancy	127,977	457,390	50,000	536,216
Admin. Civil Liability/Northbay Outreach			20,000	
SFPUC - Estuary	(215)			
STARS Deferred Comp Program	(4,500)	2,400	2,400	
City & County of San Francisco				
City of Oakland	15,022	90,176		
Consortium of Public Agencies	82,440	50,658	100,000	
East Bay Municipal Utility District	37,002			
County of Marin	115,988	172,187	143,957	94,326
Sonoma County Water District		133,713	200,605	150,454
Rockefeller Philanthropy Advisors		158,290	150,000	141,710
Resource for Community Development		1,367		
Local Government Commission		3,244		
Contra Costa County				110,728
San Francisco Bay Restoration				555,700
Other Grants		5,156		439,294
Discontinued Prog. and Audit Adjustments	(267,527)			
<b>Subtotal</b>	<b>\$1,181,055</b>	<b>\$1,973,744</b>	<b>\$2,600,317</b>	<b>\$2,846,651</b>
<b>SERVICE PROGRAMS</b>				
Publications	\$9,074	\$6,615	\$5,000	
Training	660,385	579,007	75,000	
Financial Services	1,407,498	809,531	1,050,000	\$995,004
Workers' Compensation	133,148	122,145	150,000	158,971
ABAG PLAN Corp	2,188,969	2,275,282	2,450,000	2,159,835
Bay Trail Nonprofit	28,565	30,109	25,000	12,300
Web Hosting	1,440	1,080		
POWER Purchasing Pool Fees	365,241	345,181	440,000	317,538
Conference Services	267,706	200,038	200,000	
ABAG General Fund				
Other	375,272	348,191	150,000	390,000
<b>Subtotal</b>	<b>\$5,437,298</b>	<b>\$4,717,179</b>	<b>\$4,545,000</b>	<b>\$4,033,648</b>
<b>MEMBERSHIP DUES</b>				
ABAG Dues (local and cooperating)	1,820,316	1,896,480	1,957,767	2,065,639
<b>Total Revenues</b>	<b>\$37,634,177</b>	<b>\$58,596,461</b>	<b>\$58,219,715</b>	<b>\$66,300,093</b>