



SUMMARY MINUTES

ABAG POWER Executive Committee

Regular Meeting 2015-01

February 18, 2015

MetroCenter, ABAG's Conference Room C171

101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman Schroeder opened the meeting with introductions at 12:00 PM.

Committee Representatives

Chris Schroeder (Chair)

Tonya Gilmore

Angela Walton

Richard Sealana

Jurisdiction

City of Milpitas

City of Orinda

City of Richmond

City of Union City

Members Absent

Stephanie Hom

Julie Bueren

Alan Olds

Town of Moraga

County of Contra Costa

Housing Authority of the City of Alameda

Staff Present

Jerry Lahr

Ryan Jacoby

Ken Moy

Susan Hsieh

ABAG POWER

ABAG POWER

ABAG

ABAG

Guests Present

Brad Vance

County of Santa Clara

Members of the Public Present

Mary Mitchell

PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.



APPROVAL OF SUMMARY MINUTES OF DECEMBER 10, 2014.

Motion was made by Sealana/S/Walton/C/4:0:0 to approve the Summary Minutes of December 10, 2014 Executive Committee Meeting.

The aye votes were: Gilmore, Schroeder, Sealana, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Bueren, Hom, Olds.

FY 2013-14 AUDITED FINANCIAL STATEMENTS

ABAG Finance Authority for Nonprofit Corporations (FAN) Embezzlement

ABAG Assistant Finance Director, Susan Hsieh, and ABAG Legal Counsel, Ken Moy, discussed the recent embezzlement from FAN and how this may affect service programs managed by ABAG. Members were assured that service programs (including the ABAG POWER program) are in no way involved in the recent embezzlement from the FAN. ABAG POWER funds were not affected by this incident.

ABAG POWER Basic Financial Statement

Lahr reported that a clean audit opinion was received for the FY 2013-14 financial statements.

ABAG POWER Memorandum of Internal Control

Lahr reported that the independent auditors did not identify any deficiencies in internal control that were considered to be material weaknesses.

Approval of FY 2013-14 Audited Financial Statements

Motion was made by Sealana/S/Walton/C/4:0:0 to approve the FY 2013-14 audited financial statements:

The aye votes were: Gilmore, Schroeder, Sealana, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Bueren, Hom, Olds.

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 14-15

Lahr provided members with the Monthly Summary of Operations reports for FY14-15; members were updated on the percentage savings comparisons with PG&E. The cumulative savings through



December, 2014 is -0.3% including the CTA Unrecovered Pipelines Capacity costs. The program's 'Rate Comparisons excluding Pipeline Capacity Costs' calculation displayed a cumulative savings through December, 2014 of 2.3%.

Lahr noted the recharacterization of costs for July, 2014 affecting the Cost of Energy Used and the PG&E Pass-through Costs figures (as denoted).

Gas Hedge Chart

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length). Lahr corrected a label erroneously titled "Pkg 3 – PG&E CG: \$3.88"; correct label being "Pkg 3 – Malin: \$3.88".

Market Price Chart

Lahr provided information on gas prices.

Historic Stranded Capacity Costs

Lahr provided a list of invoices received from PG&E for the CTA Unrecovered Pipelines Capacity costs. To date the program has paid a total of \$354,559 for these costs starting from April, 2012 (costs for FY 2014-15: \$92,842).

Rate Stability Comparison

Lahr presented an updated rate stability comparison spanning 2003-2014. In addition to analyzing POWER's yearly budgeted rate the calculation included monthly and true-up rates. Members and staff agreed this comparison addressed and satisfied prior concerns the comparison raised during the 2014 Annual Board Meeting.

ABAG POWER OPERATIONS MANUAL

Lahr presented the revised Operations Manual for approval. A recommendation was made to amend section 5.1 by deleting the following statement (and associated footnote):

“Authorization for a fixed price six-month gas purchase contract beginning April 1, 2015 up to 500 Dth/day”

Motion was made by Sealana/S/Schroeder/C/4:0:0 to approve the ABAG POWER Operations Manual, as amended.

The aye votes were: Gilmore, Schroeder, Sealana, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Bueren, Hom, Olds.



In addition, Sealana suggested that staff ultimately expand the scope of the Operations Manual to include additional endeavors of ABAG POWER, such as the Bay Area Regional Energy Network (BayREN).

FY 2015-16 PRELIMINARY OPERATING BUDGET

Lahr presented members with a preliminary FY 2015-16 operating budget which indicates a total core rate decrease of approximately 4%. The budget will be updated and presented for approval at the Executive Committee meeting currently scheduled for June 17, 2015.

CLOSED SESSION

Conference with Legal Counsel—Existing Litigation, Govt. C. §54956.9(d):

1. Application of Pacific Gas & Electric Company to Set New Core Interstate Pipeline Capacity Planning Range (A.13-06-011)
2. Application of Pacific Gas & Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2015-2017 (A.13-12-012)

The Chairman announced that no reportable action was taken in closed session.

ADJOURNMENT

Chairman Schroeder adjourned the meeting at 1:50 PM.

/rj

*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.