



SUMMARY MINUTES

**ABAG POWER Executive Committee
Regular Meeting 2018-01**

February 21, 2018

Conference Room 7102 – Tamalpais
375 Beale Street, San Francisco, CA 94105

WELCOME AND INTRODUCTIONS

Chair Tonya Gilmore opened the meeting with introductions at 11:00 AM.

Present Committee Representatives

Chris Schroeder
Dave Brees (Vice Chair)
Melissa Morton
Misty Mersich
Tonya Gilmore (Chair)

Jurisdiction/Agency

City of Milpitas
City of Los Altos
Vallejo Flood & Wastewater District
City of Cupertino
City of Orinda

Absent Committee Representatives

Angela Walton

City of Richmond

Staff Present

Adrienne Weil
Brad Paul
Courtney Ruby
Heather Madison
Jenny Berg
Jerry Lahr
Ryan Jacoby

Metropolitan Transportation Commission
Metropolitan Transportation Commission
Metropolitan Transportation Commission
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PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.



APPROVAL OF SUMMARY MINUTES OF DECEMBER 13, 2017 EXECUTIVE COMMITTEE MEETING

Motion was made by Schroeder/S/Brees/C/4:0:1 to approve as proposed the Summary Minutes of the December 13, 2017 Executive Committee meeting.

The aye votes were: Brees, Gilmore, Mersich, Schroeder.

The nay votes were: None.

Abstentions were: Morton.

Absentees were: Walton.

MTC LEGAL WAIVER & LETTER OF CONSENT

Lahr reminded the Committee of the October 2017 appointment of MTC's Office of General Counsel as POWER's Acting General Counsel, pursuant to Section 3.4 of the ABAG-MTC Contract for Services, and the ensuing Joint Representation Agreement and authorization to work as legal counsel. He presented a redlined version of the agreement which identified proposed changes recommended by external legal counsel.

Discussion resulted in the following changes:

1. Rejection of the below proposed change (Page 2):

We need also to disclose that if an actual conflict or dispute between POWER's interests and those of MTC should arise during the course of this representation that precluded continued joint representation in this matter, we would continue to represent MTC (as we are general counsel) notwithstanding any adversity between POWER and MTC's interests, provided POWER agrees at that time to waive the conflict. Accordingly, we are now asking that you consent to our continued and future representation of MTC, notwithstanding any possible future adversity. We are asking you to affirm that POWER agrees not to assert any conflict of interest in that event, notwithstanding any adversity that may develop with MTC.

2. Incorporation of the below proposed changes (Page 2-3):

By signing and returning to us the agreement and consent set forth at the end of this letter, POWER consents to representation by MTC legal counsel ~~such arrangement~~ and waives any potential conflicts regarding that arrangement.

Motion was made by Brees/S/Schroeder/C/5:0:0 to authorize Gilmore to execute the modified Joint Representation Agreement and authorization to work as legal counsel to ABAG Publicly Owned Energy Resources (POWER), contingent on the above changes.

The aye votes were: Brees, Gilmore, Mersich, Morton, Schroeder.

The nay votes were: None.

Abstentions were: None.



Absentees were: Walton.

ABAG-ABAG POWER MEMORANDUM OF UNDERSTANDING

Paul highlighted two differences in the ABAG-ABAG POWER Memorandum of Understanding (MOU) since its approval by the Executive Committee at its May 30, 2017 meeting, namely:

The addition of:

ABAG and POWER acknowledge that POWER is not a party to the CS. (Page 2)

The removal of:

ABAG and POWER acknowledge that none of the terms of the CS are binding on POWER. (Page 2)

Motion was made by Schroeder/S/Morton/C/5:0:0 to authorize Gilmore to execute the modified Memorandum of Understanding between ABAG and ABAG POWER.

The aye votes were: Brees, Gilmore, Mersich, Morton, Schroeder.

The nay votes were: None.

Abstentions were: None.

Absentees were: Walton.

FY 2016-17 AUDITED FINANCIAL STATEMENTS

Ruby reported that a clean audit opinion was received for the FY 2016-17 financial statements. In addition, independent auditors did not identify any deficiencies in internal control that were considered to be material weaknesses.

Motion was made by Morton/S/Mersich/C/5:0:0 to approve as presented the audited Fiscal Year 2016-17 Basic Financial Statements and Memorandum on Internal Control.

The aye votes were: Brees, Gilmore, Mersich, Morton, Schroeder.

The nay votes were: None.

Abstentions were: None.

Absentees were: Walton.

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 2017-18

Lahr provided members with the Monthly Summary of Operations reports for FY 2017-18; members were updated on the percentage savings comparisons with PG&E. Lahr noted that financial statements through December, 2017 indicated a cumulative savings figure of -10.3%.



Gas Hedge Chart

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length).

Market Price Chart

Lahr provided information on current and historical gas prices.

Regulatory & Legal Expenses-to-Date

Lahr provided a brief summary of expenses-to-date related to regulatory involvement and external legal counsel during the current fiscal year. He noted two proceedings which may affect ABAG POWER and which may merit future regulatory involvement.

RESOLUTION 18-01 – GAS PURCHASING POLICY AND FINANCIAL SECURITY

Staff reviewed ABAG POWER's general gas purchasing policy, which allows for entering into contracts for gas delivery up to three years into the future. Lahr reminded the Committee that pursuant to Section 3.3 of the ABAG-MTC Contract for Services (CS), MTC rules for purchasing and contracting currently apply to the services provided by ABAG POWER, to the extent to which they are compatible with ABAG policies. He noted that as part of the recent staff consolidation and in accordance with the CS, ABAG POWER's financial security, gas purchasing policies, and various policies and procedures have undergone review. He recommended the Executive Committee adopt Resolution 18-01 which states the current agreements are sufficient in providing the necessary financial security for ABAG POWER and its gas purchasing policies.

Motion was made by Schroeder/S/Brees/C/5:0:0 to adopt as presented Resolution 18-01 which acknowledges and identifies the requirements of program participants to pay for all costs and expenses incurred as a result of program operation.

The aye votes were: Brees, Gilmore, Mersich, Morton, Schroeder.

The nay votes were: None.

Abstentions were: None.

Absentees were: Walton.

NATURAL GAS PURCHASING STRATEGY AND POLICY RECOMMENDATIONS

Lahr reminded the Committee of the program recommendations provided at the October 2017 Board of Directors meeting. He elaborated on several recent efforts exploring opportunities related to renewable natural gas, including ongoing discussions with the Bay Area Air Quality Management District and attending a conference focused on renewable methane.

ADJOURNMENT

Chair Gilmore adjourned the meeting at 1:16 PM.

*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.