



SUMMARY MINUTES

ABAG POWER Annual Board Meeting 2003

October 27, 2003

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

WELCOME

Chairman Jeff Kolin opened the meeting of the ABAG POWER Board of Directors with introductions at 12:15 p.m.

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

Jurisdictions Represented

City of Alameda
 City of Benicia
 City of El Cerrito
 City of Fremont
 City of Gonzales
 City of Los Altos
 City of Menlo Park
 City of Menlo Park
 City of Millbrae
 City of Milpitas
 City of Newark
 City of Oakland
 City of Orinda
 City of Pacifica
 City of Salinas
 City of San Carlos
 City of San Mateo
 City of Santa Rosa
 City of Union City
 City of Vacaville
 City of Vallejo
 County of Contra Costa
 County of Napa
 County of Santa Clara
 Golden Gate Bridge, Highway & Transport. Dist.
 H.A.R.D.
 Housing Auth. Co. of Alameda
 R.A.F.C.
 R.A.F.C.
 Vallejo Sanitation and Flood Control District
 West County Wastewater District

Committee Representatives

Marge McLean
 Mike Alvarez
 Bruce King
 Dave Millican
 Robert Galvan
 Jim Porter
 Uma Chokkalingam
 John McGirr
 Ron Popp
 Emma Karlen
 Pam deMello
 Scott Wentworth
 Radha Wood
 Jerry Conner
 Wayne Green
 Richard Averett
 John deRussy
 Jeffrey Kolin
 Steve Sprotte
 Steve Strickland
 Mark Akaba
 Terry Mann
 Martha Burdick
 Vicki Swank
 Jennifer Mennucci
 Eric Willyerd, Karl Zabel
 Tom Makin
 Teri Green
 Robert Hoffman
 Ron Matheson
 Brian E. Hill

**Other Members/Guests Present**

Susan Adams, Supervisor
Thomas Crooks
Kurt James Kammerer
Cynthia Wooten

County of Marin
Navigant Consulting
K.J. Kammerer & Associates
Specialist with Navigant Consulting

Staff:

Cheryl Adsit
Joseph Chan
Jerry Lahr
Eugene Leong
Vina Maharaj
Kenneth Moy

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COMMUNITY CHOICE AGGREGATION

Chairman Kolin introduced Thomas Crooks, a principal with Navigant Consulting and Cynthia Wooten, a Community Choice Aggregation Specialist working with Navigant on the Community Choice Aggregation Demo project. Navigant Consulting is a management consulting firm to business and governmental agencies with a primary industry focus in energy. Crooks and Wooten discussed the potential benefits with Community Choice Aggregation (a municipal electric service alternative), open issues, project elements, project status and the ongoing demonstration project funded by the California Energy Commission in partnership with the Local Government Commission.

REGIONAL ENERGY OFFICE/ENERGY EFFICIENCY PROGRAM ADMINISTRATION

Chairman Kolin introduced Kurt James Kammerer, a principal of K.J. Kammerer and Associates, an energy consulting firm, specializing in energy policy, planning, program development and implementation. Kammerer discussed the opportunities for a Regional Energy office, and local government participation in energy efficiency programs.

CHAIRMAN'S OPENING REMARKS

Chairman Kolin welcomed the board members and provided a brief history and a general overview of the ABAG POWER Pool program. He introduced and extended a special acknowledgement to the 2002-03 Executive Committee and the ABAG POWER staff. Kolin said the FY 02-03 had been an educational year for himself and the Executive Committee as they learned a lot about the power pool's aggregation efforts, PG&E's bankruptcy process and working with the fellow public agencies.

PUBLIC COMMENTS

There were no public comments.

**APPROVAL OF SUMMARY MINUTES OF OCTOBER 17, 2002 ANNUAL BOARD MEETING**

Motion was made by Green/S/Millican/28:0:0/C/ to approve the Summary Minutes of October 18, 2002 ABAG POWER Annual Board of Directors' meeting.

STAFF REPORT ON NATURAL GAS PROGRAM

Jerry Lahr provided the members with an article on an overview of Governor-Elect Schwarzenegger's Energy Program titled "Solving California's Energy Crises". Lahr requested members' feedback and comments which he would forward to the Bay Area Economic Forum who in turn would be submitting formal comments.

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 the 2002-03 program year was the first year of the new three-year program cycle, which also represented the first year operating under the redefined goals for the natural gas program. The goals were Price Stability and Cost Savings.

Lahr said that during the coming year, ABAG POWER staff and the Executive Committee will continue to evaluate the Program's gas purchasing strategy to best maximize the goals of the Program. They will develop a plan to deal with the contract roll-over date set for June 2005 and how this affects the program's current gas purchasing strategy. They hope to increase the size of the program by adding new accounts and members, specifically for non-core customers and opportunities to aid members in all areas of energy management.

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 based on recent developments, ABAG POWER should be able to wind up the Electric Program and distribute available funds to the Electric Program members at the end of fiscal year 2003-04. He discussed the conditions of the windup.

The following disclosure was provided:

The PX Credit Stipulation and Release includes two non-economic terms relevant to the wind up.

- The CPUC has the power to impose a surcharge, or other tariff on ABAG POWER Electric Program members, to recoup PX credits previously paid by PG&E.
- The settlement requires ABAG POWER to define, indemnify and hold PG&E harmless for any claims by a member against PG&E for PX credits.

Joseph Chan provided the members with an adjusted balance sheet and a step-by-step explanation of the six proposed adjustments that were made to the Preliminary June 30, 2003 Financial Report.



Ken Moy discussed the distribution allocations and the crafting of the windup agreement.

Motion was made by Averett/S/Strickland/O/Alvarez/28:1:0/C to accept staff/ABAG POWER Executive Committee recommendation to authorize staff to implement the windup of the Electric Program.

Potential Sale of Claim

There was a general consensus of the group to accept staff recommendation to hold off further discussions to sell the claim at this time. It was decided that if by May 1, 2004, it was ascertained that PG&E's reorganization would not be timely approved, staff will reinitiate discussions for a sale at that time.

FY 02-03 FINANCIAL REVIEW

Joseph Chan presented the preliminary financial reports for fiscal year ending June 30, 2003. Chan said that ABAG's auditors, Maze & Associates will finalize the audit of the financial reports in December, 2003 and the audited financial reports will be available to members in January, 2004.

ELECTION OF ABAG POWER OFFICERS (CHAIR AND VICE CHAIR)

Motion was made by Sprotte/S/Green/28:0:0/C/ to elect Richard Averett, Finance Director of the City of San Carlos as Chairman and Dave Millican, Deputy City Manager of the City of Fremont as Vice-Chairman of the ABAG POWER Executive Committee for Program Year 2003-2004.

CONFIRMATION OF EXECUTIVE COMMITTEE MEMBERS

Motion was made by Green/S/Karlen/28:0:0/C/ to approve the proposed ABAG POWER Executive Committee for 2003-2004 as follows:

Richard Averett, City of San Carlos, Chairman
Dave Millican, City of Fremont, Vice-Chairman
Jeff Kolin, City of Santa Rosa
John Lisenko, City of Foster City
Mary Hill, City of Vallejo
Terry Mann, County of Contra Costa
Steve Sprotte, City of Union City
Vicki Swank, County of Santa Clara

ADJOURN

Chairman Kolin adjourned the meeting at 3:15. 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.