

An aerial photograph of a city street grid, viewed from a high angle. The streets form a complex pattern of intersecting lines. The entire image is overlaid with a semi-transparent blue filter, giving it a monochromatic appearance. The text is positioned in the lower right quadrant of the image.

ASSOCIATION OF BAY AREA GOVERNMENTS

Meeting Transcript

DECEMBER 8, 2020

1 ABAG POWER EXECUTIVE COMMITTEE

2 TUESDAY, DECEMBER 8TH, 2020

3

4 WELL GOOD AFTERNOON TO THE DECEMBER 8, 2020, ABAG EXECUTIVE
5 COMMITTEE MEETING. I WOULD LIKE TO INVITE OUR CLERK TO CALL,
6 TO DO A ROLL CALL AND CONFIRM WE HAVE A QUORUM.

7

8 YOU WANT TO DO THE ANNOUNCEMENT FIRST? OR ROLL CALL?

9

10 **SPEAKER:** LET'S GO AHEAD AND I WILL INVITE OUR STAFF TO GO
11 AHEAD AND ROLL THE ANNOUNCEMENT FIRST. SO THAT WE'RE ALL ON
12 THE SAME PAGE. THEN WE'LL GO AHEAD AND DO THE ROLL CALL FROM
13 THERE.

14

15 **SPEAKER:** DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS
16 ZOOM WEBINAR PURSUANT TO THE GOVERNORS EXECUTIVE ORDER AND
17 WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE BROADCAST ACT. THIS
18 IS BEING WEBCAST AND THE CHAIR WILL CALL UPON ITS COMMITTEE
19 AND PRESENTERS AND STAFF OTHER SPEAKERS BY NAME. AND ASK THAT
20 THEY SPEAK CLEARLY AND STATE THEIR NAMES BEFORE GIVING
21 COMMENTS OR REMARKS. PERSONS PARTICIPATING VIA WEBCAST AND
22 ZOOM ARE REMINDED THAT THEIR ACTIVITIES ARE VISIBLE TO VIEWERS
23 AND MEMBER OF THE PUBLIC PARTICIPATING BY ZOOM, WISHING TO
24 SPEAK, SHOULD USE THE RAISE HAND FEATURE OR DIAL STAR NINE AND
25 THE CHAIR WILL CALL UPON THEM AT THE APPROPRIATE TIME, A

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1 TELECONFERENCE WILL BE CALLED BY THE LAST FOUR DIGIT GET ITS
2 OF THEIR PHONE NUMBERS. THIS WILL BE POSTED ON THE ONLINE
3 AGENDA AND ENTERED INTO THE RECORD, BUT WILL NOT BE READ OUT
4 LOUD. IF THE AUDIENCE WOULD LIKE TO SPEAK, THEY ARE FREE TO
5 DID SO AND RAISE YOUR HAND AND THE COMMITTEE AND BOARD MEMBERS
6 WILL CALL UPON THEM AND ROLL CALL VOTE WILL BE TAKEN FOR ALL
7 ACTION ITEMS. PANELIST SHOULD NOTE THAT THE CHAT FEATURE IS
8 ACTIVE. HOWEVER PLEASE BE AWARE OF THAT ANYTHING TYPED IN THE
9 CHAT, WILL BE SUBJECT TO PUBLIC DISCLOSURE. THE CHAT FEATURE
10 IS NOT ACTIVE TO ATTENDEES. IN ORDER TO GET THE FULL ZOOM
11 EXPERIENCE, PLEASE MAKE SURE THAT YOUR APPLICATION IS UP TO
12 DATE.

13

14 **SPEAKER:** OKAY.

15

16 **SPEAKER:** GREAT THANK YOU. NOW I WOULD LIKE TO INVITE THE
17 CLERK TO CONFIRM WE HAVE A QUORUM.

18

19 **SPEAKER:** I WILL CALL YOUR NAME AND AGENCY, PLEASE BE READY TO
20 UNMUTE YOURSELF AND RESPOND.

21

22 **SPEAKER:** AND ANDRE DUURVOORT: WITH THE CITY OF CUPERTINO.

23

24 HERE.

25

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1 **SPEAKER:** AND I HAVEN'T SEEN HIM YET. ANGELA WALTON: CITY OF
2 RICHMOND. ABSENT.

3

4 **DOUG WILLIAMS:** DOUG AND THE QUORUM IS PRESENT. THANK YOU.

5

6 DAVE, YOU'RE ON MUTE.

7

8 **SPEAKER:** THANK YOU.

9

10 **SPEAKER:** DAVE BREES: I WOULD LIKE THE STAFF MEMBER WHO ARE
11 WITH US TODAY, TO DO A ROLL CALL.

12

13 **SPEAKER:** PLEASE BE READY TO UNMUTE YOURSELF TO RESPOND.

14

15 BRAD PAUL. AND [INAUDIBLE]

16

17 **SPEAKER:** RAYMOND WU?

18

19 **SPEAKER:** PRESENT.

20

21 **SPEAKER:** AND I SEE -- HELEN WOO.

22

23 **SPEAKER:** AND MATT.

24

25 **SPEAKER:** PRESENT, .

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1

2 **SPEAKER:** AND JENNY BERG.

3

4 **SPEAKER:** PRESENT.

5

6 **SPEAKER:** RYAN JACOBY.

7

8 **SPEAKER:** CINDY CHEN IS PRESENT.

9

10 **SPEAKER:** IS THERE ANYBODY THAT I MISSED. IF NOT, I CONCLUDE
11 THE ROLL CALL FOR STAFF. THANK YOU.

12

13 **DAVE BREES:** DO WE HAVE MEMBERS PUBLIC THAT WOULD LIKE TO
14 ADDRESS THE COMMITTEE? I'M NOT SEEING ANY ON THE SCREEN, WILL
15 THE CLERK CONFIRM THAT WE HAVE ANY.

16

17 **SPEAKER:** I DO NOT SEE ANY RAISED HAND FOR ANY PUBLIC
18 COMMUNICATIONS FOR NOW.

19

20 ALL RIGHT.

21

22 **DAVE BREES:** AGENDA ITEM THREE, THE CONSENT CALENDAR, THERE IS
23 TWO DIFFERENT ITEMS AND ONE IS THE APPROVAL OF THE SUMMARY
24 MINUTES OF THE ABAG COMMITTEE MEETING, HELD ON AUGUST 19,
25 2020. THERE IS ONE CORRECTION, THAT'S FOUND ON PAGE TWO OF THE

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1 MEETINGS SCHEDULED WHICH REFERS TO LET'S SEE, THAT'S A
2 WEDNESDAY, RATHER THAN A THURSDAY. AND SO UNLESS THERE IS A
3 SPECIFIC REQUEST TO INDIVIDUALLY REVIEW ANY OF THESE ITEMS,
4 THE CALENDAR CONSENT BE CALENDAR WILL BE PASSED AS PART OF ONE
5 MOTION WITH THE MINOR MEETING MINUTES OF AUGUST 19, AS
6 CORRECTED. IS THERE A MOTION?

7

8 **SPEAKER:** ARE YOU GUYS ON MUTE?

9

10 **DIANA OYLER:** I WILL MOTION TO APPROVE THE CONSENT CALENDAR.

11

12 **DAVE BREES:** ANY FURTHER DISCUSSION ON THAT. ALL THOSE IN
13 FAVOR, SAY, AYE. CINDY, WOULD YOU DO A ROLL CALL VOTE.

14

15 **SPEAKER:** CHAIRMAN BREES, I WILL CALL YOUR NAME AND BE READY TO
16 UNMUTE YOURSELF AND TO STATE YOUR VOTE. DAVE BREES.

17

18 AND ANDRE.

19

20 **SPEAKER:** YES.

21

22 **SPEAKER:** ANGELA WALTON IS ABSENT.

23

24 **SPEAKER:** DOUG WILLIAMS?

25

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1 **SPEAKER:** THANK YOU, THE MOTION PASSES.

2

3 **DAVE BREES:** THAT'S GOING TO TAKE US TO THE PROGRAM MANAGERS
4 REPORT, THIS IS AN INFORMATION ITEM FOR US. AND JENNY IS GOING
5 TO BE THE PRESENTER.

6

7 **SPEAKER:** I THINK I SPEAK FOR MOST OF US, WE'RE LOOKING FORWARD
8 TO 2020 BEING OVER, I WANT TO GIVE A FEW LITTLE UPDATES ON
9 SUCCESSES AND PIVOTING IN 2020 AND THEN, A FEW LOOKING FORWARD
10 ACTIVITIES THAT WERE CURRENTLY IN DISCUSSION ABOUT. SO MANY OF
11 BARONS ACTIVITY WERE CUSTOMER FACING. SO WE HAD TO IMMEDIATELY
12 STOP ALL OF OUR OUTREACH CONTRACTOR AND ACTIVITIES AND PRETTY
13 QUICKLY SHIFTED TO A LOT OF ONLINE ENERGY ASSESSMENTS AND
14 OUTREACH EVENTS. WE'RE HAPPY TO SAY THAT, WE WERE ABLE TO MEET
15 ALL OF OUR PROJECT NUMBERS FOR BOTH OUR SINGLE FAMILY AND
16 MULTIFAMILY PROJECTS. SO THAT WAS GOOD NEWS THAT THE PIVOTING
17 HAS BEEN SUCCESSFUL. AND WHAT WE ALSO FOUND IS THAT, A LOT OF
18 OUR ONLINE OFFERING HAVE ACTUALLY SIGNIFICANTLY INCREASED OUR
19 THE PARTICIPATION IN A LOT OF OUR ACTIVITIES. AND I WANTED TO
20 SHARE TWO STATS. OUR GREEN LABELING PROGRAM THAT PROVIDES IN
21 PART TRAINING TO REALTORS. OUR YEAR GOAL WAS HUNDRED
22 PARTICIPANTS AND WE ACTUALLY TRAINED OVER 200 REALTORS. I HAVE
23 A BUCKET OF THIS SILVER LINING OF COVID, THAT GOES IN THAT
24 BUCKET. THEN OUR CODES AND STANDARDS PROGRAM THAT ALL OF YOU
25 ARE BUILDING DEPARTMENT, THE FOCUS IS ON BUILDING GREAT STAFF.

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1 AND ONE ASPECT OF THAT PROGRAM, WE PROVIDE TRAININGS TO THE
2 LOCAL BUILDING OFFICIALS. AND LAST YEAR, WE TRAINED A TOTAL OF
3 534 STAFF AND THIS YEAR, WE TRAINED 721. SO A SIGNIFICANT
4 INCREASE AND A MORE TRAINED BUILDING DEPARTMENT. FROM A
5 REGIONAL PERSPECTIVE, WHAT I'M REALLY PROUD OF IS THAT THE
6 NUMBER OF JURISDICTIONS THAT HAVE PARTICIPATED WENT FROM 22 TO
7 74 JURISDICTIONS. THEN, FINALLY I WANTED TO JUST MENTION THAT
8 WE RECENTLY LAUNCHED OUR ENERGY OUT LIST, I BELIEVE I MAY HAVE
9 GIVEN A VERY BRIEF OVERVIEW IN PREVIOUS MEETINGS. BUT THIS IS
10 NOW COMPLETE. IT'S ON THE BAY RUN.ORG WEBSITE AND A HUGE SHOUT
11 OUT TO MATT WHO SPENT MANY HOURS ON THIS PROJECT. AND WHAT IT
12 IS, IT'S A DATABASE OF PG&E ELECTRICITY AND GAS DATA INTERLAID
13 AGAINST THE BUILDING PARCEL DATA. SO, YOU CAN DO DIFFERENT
14 QUERIES, IT COULD BE BROKEN DOWN BY SOCIOECONOMICS AND OTHER
15 TYPES OF SEARCH QUERIES THAT WILL HELP WITH A LOT OF POLICY,
16 RESEARCH AND TARGETING OF OUR PROGRAM. TAKE A LOOK AT BAY RUN
17 .ORG, AND THERE IS A LINK TO THE ENERGY OUTLET. WE'RE EXCITED
18 THAT THE PROJECT AT LEAST THE FIRST PHASE IS COMPLETE. AND
19 LOOKING FORWARD TO 2021. THERE IS TWO KIND OF IMMEDIATE
20 PRIORITIES. ONE IS WE'RE STILL TRYING TO FIGURE OUT WHERE BAY
21 RUN AND THE -- (INAUDIBLE) THERE IS A LOT OF ACTIVITY, THE WILD
22 WILD WEST BY MARKET ACTORS. WE ARE VERY SUPPORTIVE OF THE
23 EFFORTS, BUT DON'T WANT TO DUPLICATE ANY EFFORTS. AND I DID
24 WANT TO SHARE ONE RECENT EXAMPLE. MANY OF THE JURISDICTIONS
25 ARE PASSING ALL ELECTRIC REACH CODES. TO DATE IS AROUND NEW

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1 CONSTRUCTION. OUR SINGLE FAMILY PROGRAM WHICH IS AN ENERGY
2 RETROFIT FOR EXISTING SINGLE FAMILY HOMES, DOES INCENTIVIZE
3 SEVERAL GAS MEASURES. TO PUT IN A MORE EFFICIENT GAS PRODUCT
4 INTO THE HOME. SO WE'VE PUSHED BACK FROM SEVERAL JURISDICTIONS
5 ABOUT, BEFORE OUR OUTREACH EVENT THAT THEY DON'T WANT US TO
6 TALKING ABOUT GAS. WE HAVE BEEN ABLE TO REACH AN AGREEMENT,
7 THERE IS A LOT OF PEOPLE THAT WANT TO GO FROM A TO Z IN THIS
8 WORLD. I MEAN IN THIS SPACE, REALLY QUICKLY. IT'S SOME OF THE
9 CHALLENGES AS POWER PROGRAM, WE MAY ENCOUNTER. WE ARE ENTERING
10 THAT IN THE ENERGY EFFICIENCY SPACE. THEN FINALLY, WE ARE
11 STARTING TO SPEND A LOT OF TIME ON FIGURING OUT OUR STRATEGY
12 TO WORK MORE EFFECTIVELY WITH THE SEVEN COMMUNITY CHOICE
13 AGGREGATORS THAT WE HAVE IN OUR SHARED TERRITORY. WHAT MAKES
14 SENSE TO BE IMPLEMENTED TOGETHER, AS A REGIONAL AGENCY WITH
15 THE SEVEN CCA AND HOW WITH WE HELP ELEVATE A LOT OF THEIR
16 ACTIVITIES. SO THOSE ARE TWO OF OUR KIND OF BIG TICKET 2021
17 STRATEGY IDEA. ANY QUESTIONS? ANDRE?

18

19 THANKS FOR THE UPDATE. I WAS CURIOUS, MAYBE IF YOU DON'T HAVE
20 IT OFF THE TOP OF YOUR HEAD, MAYBE A FUTURE UPDATE. I WOULD BE
21 CURIOUS TO KNOW ABOUT THE BAY RUN CONTRACTOR NETWORK. THERE
22 WAS 60 CONTRACTORS LISTED ON THE WEBSITE. AND I WOULD BE VERY
23 CURIOUS TO HEAR AN UPDATE ON PARTICIPATION, WHOSE ACTUALLY
24 GETTING JOBS FROM BEING LISTED. WHAT KIND OF VALUE PROPOSITION
25 THAT, WE COLLECTIVELY ARE ABLE TO OFFER CONTRACTORS IN THAT

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1 SPACE. I DID WANT TO RELAY THAT, THE CCA SERVING SANTA CLARA
2 COUNTY HAS BEEN DOING SOME WORK IN CONTRACTOR TRAINING, WHICH
3 I KNOW IS ANOTHER OVERLAP THAT MIGHT EXIST WITH BAY RUN. I
4 KNOW THEY'VE GOT PRETTY STRONG FROM THEIR BOARD, TO
5 PARTICIPATE IN THE MARKET IN THAT WAY, ESPECIALLY AROUND
6 TRAINING FOR ELECTRIC TECHNOLOGIES. I WOULD BE CURIOUS IF THE
7 BAY RUN CONTRACTOR NETWORK IS CREATING VALUE FOR THOSE FOLKS.

8

9 **SPEAKER:** TO OUR QUESTION, BUT I WILL SAY THAT, WE ALSO HAVE
10 SOME BACK MUD FUNDING FOR THE DEVELOPMENT OF A WATER HEATER
11 PROGRAM. THROUGH THAT WE HAVE WORKED, WE HAVE HAVE PARTNERING
12 WITH THREE DIFFERENT CCA'S. SILICON VALLEY CLEAN ENERGY GOT
13 THEIR OWN GRANT AND ARE DOING A LITTLE BIT OF A DIFFERENT
14 PROGRAM. FOR THE CCA'S THAT WE PARTICIPATE WITH, THEY HAVE AN
15 ADDED ONE THOUSAND DOLLARS INCENTIVE THAT GOES TO THE
16 CONTRACTORS. SO THROUGH THAT ACTIVITY, INCREASED OUR TRAININGS
17 ON AT LEAST THAT TECHNOLOGY TO DATE. AND WORK FORCE IS IN MY
18 OPINION, STILL A MARKET BARRIER. BECAUSE THERE ARE NOT A LOT
19 OF TRAINED CONTRACTORS. SO THAT'S ONE AREA THAT WE'RE LOOKING
20 AT. THERE IS DIFFERENT GRANT OPPORTUNITIES THAT ARE OUT THERE
21 TO TRAIN THE WORK FORCE. THAT'S THE AREA THAT WE COORDINATE
22 WITH THE CCA BECAUSE WE HAVE DEVELOPED CURRICULUM. WE'RE RIGHT
23 PAIR FUNDED AND WE DON'T WANT BE ANYBODY TO REINVENT THE WHEEL
24 I THINK IT'S A BIG CHALLENGE TO DO THE QUICK ADOPTION OF

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1 ELECTRICIFICATION. ANDRE DUURVOORT: IT'S A FANTASTIC RESOURCE
2 AND I WOULD LOVE TO SEE THAT EXPANDED.

3

4 **SPEAKER:** OFFER HEAT PUMP WATER HEATING FOR WATER OFFICIALS.
5 THAT'S BEEN THE UP TICK IN THAT PROGRAM, HAS BEEN SIGNIFICANT
6 BECAUSE THERE IS OFTEN A DISCONNECT. WHAT PEOPLE ARE, WANT TO
7 DO WHAT WHAT BUILDING OFFICIALS HAVE CAPACITY TO APPROVE.
8 THEIR NUMBER ONE PRIORITY IS HEALTH AND SAFETY AS IT SHOULD
9 BE. A LEARNING YET ANOTHER TECHNOLOGY. A DIFFERENT PERMITTING
10 PROCESS, CAN SOMETIMES BE A CHALLENGE. ANYONE ELSE?

11

12 **DAVE BREES:** THANK YOU SO MUCH, JENNY. THAT'S ALL GOOD NEWS.
13 THAT'S GOING TO TAKE US TO OUR NEXT AGENDA ITEM. NUMBER FIVE,
14 REPORT ON THE NATURAL GAS PROGRAM. RYAN?

15

16 **SPEAKER:** WILL YOU PULL UP THE PRESENTATION, PLEASE. ALL RIGHT.
17 GOOD AFTERNOON, AND I'M RYAN JACOBY WITH THE PROGRAM FOR ABAG
18 POWER. I WOULD LIKE TO SEE EVERYONE, AND I APOLOGIZE FOR THE
19 MASK, BUT I AM IN OUR OFFICE IN WHERE THEY ARE TO BE WORN AT
20 ALL TIMES. WITH THAT, LET'S GO AHEAD AND MOVE TO THE NEXT
21 SLIDE, PLEASE. SO JUMPING RIGHT TO THE BOTTOM LINE, WE CAN SEE
22 OUR CUMULATIVE RATE DIFFERENCE AS OF SEPTEMBER IS SITTING AT A
23 20% PREMIUM. YOU CAN IMAGINE, THIS IS QUITE WORRISOME, BUT
24 THERE IS GOOD NEWS ON THE HORIZON AS I WILL OUTLINE IN THE
25 PRESENTATION. NO IMMEDIATE FIRE DRILLS FOR THIS. BUT

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1 BASICALLY, IT CAN BE SUMMARIZED IN TWO POINTS. BEGINNING IN BE
2 OCTOBER, WE DO SEE A RETURN TO NORMALCY FOR USAGE PATTERNS
3 AFTER A SUMMER. BECAUSE OF THE CHANGE OCCURS IN OCTOBER WITH
4 REGARDS, IT'S NOT REFLECTED IN THIS 20% FIGURE. SECOND, WHILE
5 LOCAL MARKET PRICES HAVE BEEN INFLATED FOR THE PAST FEW
6 MONTHS, PG&E PROCUREMENT RATE HAS BEEN SLOW TO REFLECT THAT.
7 YOU DO BEGIN TO SEE A RATE INCREASE TO 450 FOR NOVEMBER, AND
8 464 FOR DECEMBER. BUT AGAIN, NEAT OF THESE ARE REFLECTED IN
9 THE SEPTEMBER COMPARISON, THINGS LOOK WORSE FOR US IN THIS
10 NUMBER, THAN THEY ARE IN REALITY. NEXT SLIDE, PLEASE. THE
11 FIRST PART OF THE THIS RATE DIFFERENCE IN THE USAGE, WHICH IS
12 LOWER THIS YEAR, COMPARED TO THE SAME PERIOD FOR THE PRIOR TWO
13 YEARS. AS A REMINDER, WE ARE ATTRIBUTING THAT TO THE FACILITY
14 CLOSURES DUE TO COVID AND WARMER WEATHER. YOU CAN SEE STARTING
15 THE FISCAL YEAR WITH ROUGHLY THE SAME USAGE AS JULY OF LAST
16 YEAR, AND THEN A SIGNIFICANT DECREASE DURING AUGUST AND
17 SEPTEMBER. I DON'T NEED TO REMIND YOU DURING THAT TIME, WE
18 EXPERIENCED A SIGNIFICANT HEAT EVENTS THAT LED TO KIND OF
19 TROPIC FIRES, ID ADDED OCTOBER FIGURES OF THE DASH LINE THAT
20 YOU SEE. YOU CAN SEE THE NUMBERS START TO CLIMB AS THE COLDER
21 TEMPERATURE SIT IN WITH THE BEGINNING OF WINTER. THOSE COLDER
22 TEMPERATURES HAVE PERSISTENTED INTO NOVEMBER AND DECEMBER. THE
23 UNKNOWN ELEMENT THAT THE CHART DOESN'T SEEK TO IS THE
24 QUANTIFIABLE IMPACT CAUSED BY AGENCY SHIFTING TO REMOTE WORK.
25 IT REMAINS TO SEEN, WHAT MAGNITUDE THAT WILL IMPACT OUR BOTTOM

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1 LINE AND WHAT WE CAN DO ABOUT IT. IT IS A TOPIC AS PART OF THE
2 ITEM ON THE AGENDA. NEXT SLIDE, PLEASE. REGARDING OUR GAS
3 PURCHASES. THERE ISN'T A REALLY UPDATE SINCE THE OCTOBER
4 MEETING AND AUGUST BEFORE THAT. THE PURCHASES DISPLAYED HERE
5 ARE ACTUAL THROUGH OCTOBER TO THE LEFT OF THE DOTTED LINE. AND
6 THEN PROJECTION TO THE RIGHT OF THAT. AND THE MAJORITY OF
7 COMING FROM CANADA FOR THE SUMMER MONTHS, YOU CAN SEE, NO GAS
8 COMING FROM LOCAL PURCHASES AT PG&E AND THEN SLOWLY EDGING
9 OVER THE WINTER MONTHS WHEN THE LOAD INCREASES. YOU WILL NOTE
10 IN TOTAL, AND ANTICIPATING A SMALLER ANNUAL QUANTITY OF
11 PURCHASES, TO ALIGN WITH THAT DECREASE LOAD THAT I SPOKE ABOUT
12 IN THE PRIOR SLIDE. IN ADDITION TO THAT, YOU MAY REMEMBER THAT
13 WE HAVE THE SMALLER STORAGE INVENTORY THIS YEAR. OTHER MEANS
14 OF SAVING SOME COST, THAT WAS A LARGER REGULATORY IN THE PG&E
15 ENVIRONMENT LAST YEAR, WE SWITCHED TO AN INDEPENDENT STORAGE
16 PROVIDER FOR THE MAJORITY OF OUR STORAGE REQUIREMENT. NEXT
17 SLIDE, PLEASE. THE MARKET PRICE COMPARISON HAS BEEN PRETTY
18 INTERESTING OVER THE PAST FEW MONTHS. YOU CAN SEE THE PRICES
19 BEGIN TO RISE IN SEPTEMBER WITH THE MOST DRAMATIC INCREASE
20 COMING FROM PG&E, TO AN AVERAGE OF 3.50 AND THEN FOUR DOLLARS
21 IN OCTOBER. YOU WILL SEE THAT OUR PRICE IN OREGON HAS COME IN
22 SLIGHTLY CHEAPER THIS FISCAL YEAR THAN THE CANADIAN PURCHASES.
23 BUT I EXPECT TO SEE THE REVERSAL OF THAT IN THE NOVEMBER AND
24 DECEMBER PRICES. I THINK CANADA GOING TO REMAIN OUR CHEAPER
25 OPTION. ULTIMATELY, EITHER OPTION HAS BEEN SIGNIFICANTLY

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1 CHEAPER THAN PG&E AND CITY BASE, YOU CAN SEE ABOUT A 50-CENT
2 DIFFERENCE SO FAR. LASTLY, THE TEAL LINE IS OUR BUDGET GAS
3 COMMODITY RATE. STARTS TO SINK BELOW MARKET PRICES FOR
4 BASICALLY THE FIRST TIME ON THIS CHART AND IN THE PAST YEAR
5 AND A HALF TO TWO YEARS, I AM PAYING CLOSE ATTENTION TO THAT
6 IT'S NOT PROBLEMATIC, IF PRICES DECREASE LATER ON IN THE
7 WINTER. AS A RESULT OF THE LOWER USAGE, WE ARE ALSO
8 EXPERIENCING LOWER THAN EXPECTED PG&E COST WHICH ARE DEPENDENT
9 ON USAGE. SO THE FACT THAT WE ARE EXPEND MORE ON GAS COMMODITY
10 IS NOT NECESSARILY PROBLEMATIC FOR THE PROGRAM. NEXT SLIDE,
11 PLEASE. SO STRICTLY LOOKING AT THIS YEAR, TAKEN OUT BOTH OF
12 OUR USAGE AND COST, AND YOU CAN SEE FROM THIS SLIDE,
13 REPRESENTING OUR USAGE FOR THE YEAR, WE ARE ABOUT 13% LOWER
14 THAN BUDGETED SO FAR. REALLY THE ONLY THING THAT STRONG HERE
15 IN THE SUMMER USAGE, JULY AND AUGUST AND SEPTEMBER, WHICH I
16 SPOKE TO EARLIER. IMPACTING BY THOSE HIGH SUMMER HEAT DURING
17 THOSE MONTHS. AT OUR UPCOMING FEBRUARY MEETING, YOU WILL HAVE
18 MORE COMPLETE PICTURE OF THE NOVEMBER AND DECEMBER FIGURES.
19 YOU CAN SEE FROM THE CHART, THAT TYPICALLY OUR USAGE PEAKS IN
20 DECEMBER AND JANUARY, WHEN THE HEATING LOAD IS THE HIGHEST.
21 NEXT SLIDE, PLEASE. LOOKING AT THE COSTS, SOME OF THE EQUATION
22 OVER THE SAME PERIOD, YOU CAN SEE SEPTEMBER START TO COME IN
23 OVER THE BUDGETED FIGURE FROM THE FIRST TIME IN THIS CHART.
24 AGAIN, THIS IS TRIGGERED BY INCREASING MARKET PRICE AND SAY
25 PG&E, AND ALSO AT THESE OTHERS. ULTIMATELY, THAT THE PRICES

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1 WILL CONTINUE BOTH THROUGH NOVEMBER AND LIKELY DECEMBER FROM
2 WHAT WE ARE SEEING SO FAR, AT LEAST IN THE MONTHLY FIGURES.
3 BUT AGAIN, IT'S NOT NECESSARILY AN ISSUE WITH THE DECREASES AT
4 SOME FUTURE POINT IN THE YEAR. PART OF OUR FEBRUARY MEETING
5 WILL BE CONDUCTING A MORE IN-DEPTH ANALYSIS ONCE WE HAVE MORE
6 WINTER FIGURES TO FACTOR INTO THAT CALCULATION. IN YOUR
7 MEETING MATERIALS REGARDING THE COST FIGURES FOR THESE MONTHS,
8 SPECIFICALLY, IS THE STANDARD SUMMARY OF OPERATIONS WHICH
9 DETAILS THE CATEGORIES TO THESE SPECIFIC COST, A MINOR CHANGE
10 WITH THIS, I HAVE BROKEN OUT THE CLASS B COST ON ROW 19, MY BE
11 OBJECTIVE IS HIGHLIGHTED THAT COST, TO DIFFERENTIATE BETWEEN
12 THE CONTROLLABLE AND THE STRAND COST WHICH ARE OUTSIDE OF OUR
13 CONTROL. THOSE ARE AVERAGING ABOUT \$11,000 A MONTH. THEY ARE
14 ABOUT \$33,000 HERE. FOR THIS PERIOD. ON THE RELATED NOTE, WE
15 HAVE BECOME A PART OF THAT INVOLVES PG&E SEEKING TO ESTABLISH
16 A APPROVAL PROCESSES FOR CONTRACTED EXTENSION WITH ONE OF
17 THOSE PIPELINES, THE RUBY PIPELINE, WHICH RUNS FROM WYOMING TO
18 OR BEGUN, THIS IS ONE OF THE MANY THAT WE ARE OBLIGATED TO PAY
19 COST FOR. AND THE LEAST HELPFUL TO US, BECAUSE THE CAPACITY IS
20 SO AND I HAVE RELATIVE TO OTHER PIPELINE PATHS. THIS IS IN THE
21 EARLY STAGES BUT WE INTEND TO PROVIDE UPDATES AS THIS
22 PROGRESSES. NEXT SLIDE, PLEASE. NEXT IS THE SUMMARY OF OUR
23 FISCAL YEAR 2019-2020. AND ADOPTED IN OCTOBER. THE PROCESS
24 COMPARES SITE LEVEL BUDGETED AND ACTUAL COST. THEN AMORTIZES
25 ANY DIFFERENCE OVER THE REMAINING MONTHS IN THE FISCAL YEAR.

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1 THIS TAKES PLACE IN LATE SEPTEMBER AND THEN INITIATES THAT IN
2 NOVEMBER AS DEPICTED ON THIS SLIDE. AS PART OF THIS YEARS
3 PROCESS, WE DETERMINED AN OVER COLLECTION OF THE 40,000, WOULD
4 BE RETURN TO NUMBERS IN FISCAL YEAR 2021. IN OCTOBER, WE
5 RECEIVED ONE COMMENT REQUESTING CLARIFICATION AS TO WHY THIS
6 WAS RELATIVELY LARGE. WHETHER THIS BODY COULD CONDUCT A MORE
7 FREQUENT TO MINIMIZE SIMILAR OCCURRENCES. IN OUR MEETING
8 MATERIALS I HAVE INCLUDED THE SAME DOCUMENTATION THAT WAS
9 DISTRIBUTED IN SEPTEMBER. THE VIEW UNDER THE COUNTY, CONTAINS
10 A STANDARD DETAILS TO REVIEW THIS REQUEST. YOU WILL NOTE IN
11 THE IN, IN THAT THE PRIMARY DRIVER FOR THE \$98,000 ADJUSTMENT,
12 WAS A DIFFERENCE IN PROJECTED AND ACTUAL USAGE. THE DIFFERENCE
13 WAS SIGNIFICANT, AND ACTIVATED BY THE OVERALL DECLINE IN USAGE
14 THAT WE SAW LAST YEAR, MY OPINION IS NOT INDICATIVE WITH THE
15 WEIGHTED AVERAGE METHOD USED TO PREDICT THIS ON A ANNUAL
16 BASIS. THE OTHER ELEMENT TO THIS REQUEST, WAS TO INVESTIGATE
17 WHETHER THIS CAN BE CONDUCTED MORE FREQUENTLY TO MINIMIZE
18 LARGE DISCREPANCIES BETWEEN PROJECTIONS AND ACTUALS. THE
19 CURRENT LANGUAGE IN THE NATURAL GAS BILLS AGREEMENT WITH A
20 DESCRIBES THIS PROCESS AS OCCURRING ONCE A YEAR, WHICH I
21 FOOTNOTED ON THE SLIDE. I'M READING BETWEEN THE LINES A LITTLE
22 BIT HERE, MY TAKE, WHEN CONSIDERED IN THE CONTEXT OF THE
23 ANNUAL CHARGE, THE PRICE STABILITY WAS DESIRED THE COMPONENT
24 AT THE TIME THE AGREEMENTS WERE CRAFTED. YOU HAVE THREE MAIN
25 TAKE WAYS HERE. WHICH DESCRIBES THE USAGE OF THE PRIMARY

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1 PREDICTOR OF COST, BUT ALSO THAT SPECIFIC USAGE PROFILE
2 MEANING THE MONTHS OR DAYS OF USAGE ARE OCCURRING WHICH IS
3 IMPORTANT. AT THIS TIME, I'M NOT RECOMMENDING A CHANGE TO THE
4 EXISTING PROCESS, BUT I WILL FOLLOW UP WITH THE CITY TO RELAY
5 ANY DISCUSSION DURING THIS MEETING, AS WELL AS SEEK FEEDBACK
6 FOR METHOD DZ TO IMPROVE REGARDING SIGNIFICANT CHANGES AND
7 USAGE. WITH THAT, THAT CONCLUDES MY PRESENTATION. AND, OF
8 COURSE, I'M HAPPY TO ANSWER ANY QUESTIONS.

9

10 **DAVE BREES:** THANK YOU, RYAN. I WOULD ECHO YOUR POINT BEING
11 WITH NO RECOMMENDED CHANGES IN FORMULA AT THIS TIME. WE CAN'T,
12 THE NUMBERS ARE REFLECTED FOR THESE LAST 12 MONTHS ARE, SO
13 MANY CHANGES AND SO MANY VARIABLES THAT ARE IN PLAY RIGHT NOW.
14 WE NEED A LITTLE BIT MORE STABILIZATION, BEFORE WE CAN REALLY
15 MAKE ANY OF THOSE TYPES OF DECISIONS. I THINK, I CONCUR. OKAY,
16 WELL THANK YOU FOR THAT REPORT, THAT TAKES US TO OUR AGENDA
17 ITEM NUMBER SIX, OUR NATURAL GAS PROGRAM STRATEGY. THIS WILL
18 BE AN ACTION ITEM. AND RYAN, ONCE AGAIN WILL GIVE OUR REPORT.

19

20 **SPEAKER:** SURE THIS REQUEST AS A RESULT OF A PROCUREMENT WHICH
21 YOU REVIEWED IN AUGUST, AND WAS ISSUED IN SEPTEMBER. THE
22 CONCLUDING DETAILS OF THE PROCUREMENT AND THE EVALUATION ARE
23 CONTAINED WITHIN THE MEETING MATERIALS. SO I WON'T GET TOO FAR
24 INTO THE SUMMARY. OTHER THAN TO SAY, WE'RE EXCITED TO CONSIDER
25 THIS OPPORTUNITY FOR THE PROGRAM. ON THAT NOTE, THIS MAY NOT

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1 BE NEWS TO MOST OF THE FOLKS ON THIS CALL, AS JENNY SAID, THE
2 CITY OF OAK LAND JOINED ABOUT 40 OTHERS TO TAKING STEPS TO BAN
3 NATURAL GAS IN NEW CONSTRUCTION OR ADOPT AN ELECTRIC PREFERRED
4 BUILDING CODE. WHILE IT'S NOT A SURPRISE, IT DOES HIGHLIGHT IN
5 ADDRESSING GREENHOUSE GAS EMISSION TARGET AND EMPHASIZE THE
6 NEED FOR THIS PROBLEM TO IDENTIFY AND IMPLEMENT OPPORTUNITIES
7 THAT ALIGN OUR OFFERING THAT BENEFIT LOCAL GOVERNMENTS. TO
8 THAT END, WE THINK THAT PG&E HAS DEMONSTRATED THIS IN THE
9 NATURAL GAS SECTORS TO ASSIST US THAT ACHIEVE THESE
10 OBJECTIVES. THEREFORE PRESENT THIS STAFF RECOMMENDATION TO
11 BEGIN THESE CONVERSATIONS IN ERNEST. WITH THAT, I'M HAPPY TO
12 ANSWER ANY QUESTIONS. ANDRE?

13

14 **ANDRE DUURVOORT:** THANKS FOR GETTING US HERE. I'M CURIOUS IF
15 YOU COULD JUST GIVE ME LIKE A RATIONAL BRIEF OVERVIEW OF PG&E
16 QUALIFICATIONS AND ANY OTHER SIMILAR WORK THEY'VE DONE IN THE
17 PAST.

18

19 **SPEAKER:** I WOULD BE HAPPY TO. THEY PLAYED A OF A PRIMARY ROLE
20 IN THE LOCAL BUSINESS DEVELOPMENT PLAN. THE COMMUNITY
21 ENERGIES. ESSENTIALLY PLAN WHEN THEY WERE DEVELOPING THE CRA
22 AND THE IMPACT ON LOCAL BUSINESSES. THE UPT, WAS PART OF THE,
23 I THINK IT'S A PRIME, ON ESSENTIALLY A SMALL CONSULTING TEAM,
24 THEY HAVE THREE SEPARATE FIRMS. AS PART OF THE PROPOSAL, ONE
25 OF THE FIRMS ACTUAL IS A CONSULTANT FROM SPUR. THE SCHOOL

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1 PROJECT FOR UTILITY RATE REDUCTIONS, IF THAT MAY HAVE A
2 TRANSPORT AGENT, EXEMPT THEY ARE OFFERING A SPECIFIC TO THE
3 SCHOOL DISTRICT WITHIN CALIFORNIA. THAT'S A POSITIVE
4 RELATIONSHIP THAT WE HAVE HELD OVER THE YEARS. IN TERMS OF THE
5 OPERATING ENVIRONMENT AND THE CHALLENGE THAT IS WE FACE, AS
6 WELL AS THE TECHNOLOGY, OF THE ENVIRONMENT. REQUIREMENTS THAT
7 ARE PLACED ON TPA WITH REGARD TO THINGS LIKE THE PIPELINED
8 CAPACITY COST OR THE SCHEDULING REQUIREMENTS, THOSE SORTS OF
9 THINGS, IN ADDITION TO THAT, THERE IS ALSO WHAT I WOULD
10 CONSIDER LIKE A DATA AND ENVIRONMENTAL KNOWLEDGE AND IMPACT OF
11 THE AGREEMENT, IN TERMS OF KNOWLEDGE GREEN AND CERTIFIED
12 SUPPLY OPTION AND OF THE TPA OFFERING ENVIRONMENT AND SOME OF
13 THE BENEFIT. AND I THINK LOCAL GOVERNMENT CC A AROUND THE YOU
14 UTILITY. SO WE WERE HAPPY TO SEE THAT, AS WELL AS THERE WAS A
15 DATA PLATFORM OFFERED. FRANKLY, SO A LITTLE BIT OF THE DETAILS
16 REMAIN TO BE SEEN, IN TERMS OF OF THE ACTUAL RESOLUTION. WE
17 HAVE ADOPTED ENERGY MANAGER FOR THIS PROGRAM. SO WE WOULD BE
18 INTERESTED IN GLEAMING SOME OF THE OPPORTUNITIES FOR ENHANCED
19 ANALYSIS OR ADDITIONAL FEATURES FROM THOSE CONVERSATIONS. BUT
20 THOSE WERE I THINK SOME OF THE MAIN POINTS THAT LED TO BE
21 EXCITED ABOUT THE PROPOSAL.

22

23 **SPEAKER:** AS RYAN SAID, THE DEPTH OF EXPERIENCE AND KNOWLEDGE
24 OF THIS AREA WAS, I THINK WE'RE EXCITED ABOUT. TO HAVE
25 POTENTIALLY A CLOSER RELATIONSHIP WITH SPUR AND FIND AREAS

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1 WITH COLLABORATION. THEY HAVE A LOT OF REGULATORY EXPERIENCE
2 AND ARE VIDEO IN PROCEEDINGS. WHICH I KNOW, RYAN, AND I HAVE
3 TALKED ABOUT IN PROCEEDINGS. WE WERE QUITE PLEASED.

4

5 **ANDRE DUURVOORT:** MUST BE THE THINGS WE'RE LOOKING FOR, A
6 MILLION CONTRACTORS OUT THERE, REALLY FAMILIAR WITH THESE
7 THINGS. SO I'M GLAD TO HEAR THEIR TARGET EXPERIENCE WITH THE
8 SOME OF THE CCA WHICH ARE INTERESTING AND FACE CHALLENGES.
9 SPUR PROGRAM IS QUITE INTERESTING. I WAS JUST MADE AWARE OF
10 THAT RECENTLY. AND I THINK HAS SOME GLIMPSE FOR, INTO FUTURE
11 MOVES THAT WE CAN MAKE. IT SOUNDS LIKE A GREAT. THANKS.

12

13 **DAVE BREES:** THANK YOU, GUYS. SO THERE IS A REQUEST FOR A
14 MOTION FROM THE COMMITTEE. TO AUTHORIZE ENTERING INTO A
15 PROFESSIONAL SERVICES AGREEMENT WITH GPT NOTCH IN THE AMOUNT
16 OF \$150,000 FOR SERVICES THROUGH DECEMBER 31, 2022. IS THERE
17 ANYBODY WHO WOULD LIKE TO MOVE THAT?

18

19 **ANDRE DUURVOORT:** I WILL MAKE A MOTION. THIS IS ANDRE. TO,
20 ENTER INTO NOT TO EXCEED WITH GPT AS RECOMMENDED.

21

22 **DAVE BREES:** ALL RIGHT, SECOND?

23

24 **DOUG WILLIAMS:** I'LL SECOND THAT.

25

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1 **DAVE BREES:** IS THERE ANY OTHER QUESTIONS OR DISCUSSIONS
2 BEFORE THE COMMITTEE? SEEING NONE, I WILL ASK OUR CLERK TO
3 CONDUCT A ROLL.

4

5 **SPEAKER:** I DO NOT SEE ANY RAISED HANDS OR ANY PUBLIC
6 COMMUNICATION FOR THIS ITEM. PLEASE BE READY TO UNMUTE
7 YOURSELF. TO STATE YOUR VOTE. DAVE BREES.

8

9 AYE.

10

11 **SPEAKER:** ANDRE.

12

13 **SPEAKER:** YES.

14

15 **SPEAKER:** THANK YOU.

16

17 **DAVE BREES:** THE NATURAL GAS PROGRAM MEMBERSHIP. THIS IS GOING
18 TO BE AN INFORMATIONAL ITEM, RYAN, YOU HAVE THE FLOOR. SPEAK.
19 I WILL AGAIN.

20

21 THIS IS PART OF THE MEETING MATERIALS FOR THIS ITEM. I WAS
22 CONTACTED IN SEPTEMBER, BY OUR STAFF TO COMMUNICATED AN
23 INFORMAL ATTEMPT TO WITHDRAW THE ACCOUNT FROM THE PROGRAM, IN
24 ADVANCE OF THE CITY OR OPT OUT PERIOD REQUIRED BY THE
25 AGGREGATION DETRIMENT. TO DATE, WE HAVE NOT RECEIVE FORM

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1 CONSENT TO EXIT THE PROGRAM. SHORTLY AFTER THAT INITIAL
2 COMMUNICATION, WE NOTIFIED OF ITS \$12,000 APPROXIMATE WORKING
3 CAPITAL DEPOSIT AND THE STAFF WILL DEFER TO THE EXECUTIVE
4 COMMITTEE, WHETHER TO ASSESS DAMAGES FOR BREACH OF CONTRACT,
5 IF EXIST PROGRAM. AND IDENTIFIED 13 ADDITIONAL AGENCIES,
6 HAVING FEWER ACCOUNTS THAT HAVE A SIMILAR ANNUAL LOAD TO THE
7 ACCOUNT. IT'S OUR BELIEF THAT THIS IS A POLICY DISCUSSION.
8 AMONG THIS BODY. THAT WILL DETERMINE A DIRECTION OF UPCOMING
9 NEGOTIATES WITH BART. IF AN EXIT REMAINS DESIRABLE FOR THE
10 AGENCY, WE ARE LOOKING FOR YOUR INPUT TO GUIDE THOSE
11 DISCUSSIONS. AND PENDING THAT, STAFF INTENDS TO PRESENT A
12 RECOMMENDATION FOR YOUR CONVERSATION AT A FUTURE SCHEDULED
13 MEETING.

14

15 **DAVE BREES:** SO COMMITTEE MEMBERS, YOU HAVE ANY COMMENTS OR
16 QUESTIONS? OR CONCERNS? YOU WOULD LIKE TO ADDRESS STAFF ON?
17 ANDRE.

18

19 **ANDRE DUURVOORT:** THE DECISION TO WHETHER TO SPEAK DAMAGES OR
20 THE AMOUNT OF DAMAGES MAY SET A PRECEDENT SINCE WE'RE NOT ANY
21 MORE LINK TO THE CAPACITY, FEES THAT WE WOULD LOSE TO OTHER
22 ASSETS. LOOKING FOR CLARIFICATION ON WHAT KIND OF FEEDBACK.

23

24 **SPEAKER:** THOSE ARE A COUPLE OF DIFFERENT QUESTIONS HERE. ONE
25 IS WHETHER TO ASSESS A FEE. AND IN MY OPINION, THAT IS MORE

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1 COMPLICATED QUESTION. I THINK AS WE NEED THE DIRECTION,
2 OBVIOUSLY TO ENTER THE SHORT-TERM MARKET, WE DO NOT HAVE AS
3 MANY FIXED LONG-TERM EXPENSES AS WE WOULD FIVE YEARS ARC WHEN
4 SCHEDULED GAS PURCHASE CONTRACTS OR PIPELINE CAPACITY
5 AGREEMENTS THAT SPAN A COUPLE OF YEARS. THAT'S THE FUNDAMENTAL
6 CHANGE THAT I THINK IS WORTHY OF CONSIDERATION IN THIS
7 DISCUSSION. BUT I THINK TO ANSWER YOUR QUESTION, THE MOST
8 EXIT, WHICH IDENTIFIED IN THE MEMORANDUM, WE DID CHOOSE TO
9 ASSESS DAMAGES TO COVER THOSE FIXED EXPENSES THAT WERE
10 OUTLINED, BUT CAME OUT TO \$12,000. ONE IS WHETHER TO ASSESS
11 DAMAGES IN ANY AMOUNT, FOR AN EXIT, IF THE DESIRED IMPACT IS
12 TO LEAVE THE PROGRAM, WITHIN THOSE THREE YEARS. THE SECOND
13 QUESTION, BUT A POTENTIAL CONSIDERATION, IS WHETHER THAT THE
14 DECISION SHOULD APPLY ON A GOING FORWARD BASIS. SUCH THAT, IF
15 WE WERE TO RECEIVE A FUTURE REQUEST FROM THE CITY OF
16 CUPERTINO, TO COMMIT, SHOULD THE DECISION REFLECT ON FUTURE
17 DECISIONS AS WELL?

18

19 **SPEAKER:** ANOTHER THING TO ADD IF AN ACCOMMODATION WAS MADE IN
20 THIS INSTANCE, THERE IS A THE POTENTIAL, WHICH YOU KNOW LIKELY
21 WOULD NOT HAVE A SIGNIFICANT FINANCIAL IMPACT. THERE ARE QUITE
22 A FEW OTHER ACCOUNTS THAT ARE SIMILARLY, HAVE A SIMILAR
23 PROFILE. AND IF THERE IS PRECEDENT FOR THIS, THERE IS A
24 POTENTIAL THAT THERE WOULD BE A REQUEST TO BE APPLIED TO ALL
25 THE SIMILAR ACCOUNT HOLDERS. SOMETHING TO KEEP IN MIND.

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1

2 **ANDRE DUURVOORT:** INTERESTING TO HEAR WHAT THE OTHER COMMITTEE
3 MEMBERS SAY. FROM MY POINT OF VIEW, I WOULD SAY ANY AGENCY
4 THAT IS EXPECTING A TERMINATE OUTSIDE OF THE NORMAL THREE
5 OPPORTUNITY TO DO SO, WE CAN BE SEEKING SOME SORT OF DAMAGE
6 RELATED TO THEIR LOAD, JUST AS A MATTER OF PRINCIPLE. IT
7 SOUNDS LIKE SOMETHING THAT WOULD BE IN THE BEST INTEREST OF
8 THE PROGRAM AS WHOLE. TO DISCOURAGE THAT KIND OF DEPARTURE.
9 WITH THAT BEING SAID, THAT SHOULD BE LIMITED THEIR CAPITAL
10 CONTRIBUTION OR THE SIZE OF THE ACCOUNTS. BUT, THAT'S MY TAKE
11 ON IT. I WOULDN'T WANT TO MAKE IT TOO EASY FOR FOLKS TO LEAVE
12 THE PROGRAM. BUT, ALSO BEING A CONSIDERATE TO THE FACT THAT
13 THERE IS GOING TO BE CIRCUMSTANCES WHICH WOULD CAUSE THE
14 AGENCY TO DO SO, SUCH AS THIS CASE WITH BART. VERY NORMAL
15 LEGITIMATE REASON TO WANT TO CLOSE OUT THEIR ACCOUNTS.

16

17 **DAVE BREES:** I WOULD CONCUR WITH YOU, ANDRE. I THINK THERE
18 ARE, WE MAY NOT BE IN THE LONG-TERM CONTRACT WITH OUR
19 PURCHASING. WE ARE IN LONG TERM RELATIONSHIPS WITH OUR STAFF
20 WITH OTHER FIXED COST. THEY ARE ASSOCIATED WITH THE PROGRAM.
21 THOSE ARE -- IF SOMEBODY WANTS TO EXIT PRIOR TO THAT THREE
22 YEAR, THEN WE CAN BE IN A POSITION TO RECOVER SOME OF THAT. SO
23 THERE IS SOME ASSURANCE AND PREDICTABILITY FOR THE PROGRAM, IF
24 WE NEED TO MAKE ADJUSTMENTS OR CHANGES. IT GIVES US A LONGER
25 RUNWAY FOR US TO OPERATE ON. SO, I CONCUR, THAT PEOPLE

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1 SHOULDN'T BE ABLE TO OPT OUT AND NOT HAVE ANY IMPACTS. IF THEY
2 WANT TO GO OUTSIDE THE SYSTEM. AND I THINK THAT, WELL IF THERE
3 IS A WAY TO COME UP WITH A FORMULA THAT IS, WE LOOK AT ALL OF
4 THOSE FIXED COST ARE. AND THEN HOW MANY ACCOUNTS THERE ARE OUT
5 THERE, THAT WE ARE AMORTIZING THIS OVER, AND ASSOCIATED A COST
6 TO ONE OF THOSE -- TO EACH OF THOSE INDIVIDUALS ACCOUNTS. IF
7 SOMEBODY HAS TEN VS. ONE, THEY GET CHARGED TEN TIMES MORE THAN
8 THAN THE ONE. THERE HAS GOT TO BE SOME RATIONAL WAY TO EXPLAIN
9 THAT, AS OPPOSED TO, YOU GUYS ARE BIGGER, IT DOESN'T COST YOU
10 AS MUCH OR VS. WE CAN BE FROM A FINANCIAL PERSPECTIVE OR LEGAL
11 PERSPECTIVES AS WE ARTICULATE THAT BACK TO THE MEMBERS,
12 THEY'LL BE ABLE TO UNDERSTAND THAT. OTHERS QUESTIONS? DOUG,
13 DIANE?

14

15 **DOUG WILLIAMS:** I'M JUST CURIOUS, HAS THERE BEEN ANY ATTORNEYS
16 THAT HAVE LOOKED AT THIS SITUATION AND WHAT THEIR
17 RECOMMENDATIONS ARE.

18

19 **DAVE BREES:** WE HAVE ONE WITH US.

20

21 **DOUG WILLIAMS:** EXCELLENT.

22

23 **SPEAKER:** WE HAD A CONVERSATION WITH BART AND RYAN AND I THINK
24 JENNY AND I. BART MAYBE ASSERTING THAT THE THREE YEAR
25 REQUIREMENT DOESN'T APPLY. I MEAN THERE IS A LITTLE BIT OF

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1 VAGUENESS IN THE CONTRACT ABOUT THAT. ALTHOUGH, I DON'T THINK
2 THERE IS MUCH. SO I THINK RYAN IS RIGHT, THIS IS A POLICY
3 DECISION. I THINK THE AGREEMENT CAN BE REACHED WITH BART. BUT
4 I THINK HAVING THE BOARD WEIGH IN ON THIS AND HAVING US
5 NEGOTIATE, IS THE WAY TO GO AND REACH AN AGREEMENT AND CUT
6 THEM LOOSE THE WAY THEY WANT TO. ALSO, PROTECTS THE THINGS
7 THAT YOU ARE DISCUSSING HERE. DOUG WILLIAMS: THAT MAKES SENSE
8 TO ME. THANK YOU.

9

10 **DAVE BREES:** MATT IS THAT ALONG THE LINES OF BEING SUBJECTIVE
11 NEGOTIATION OR IS IT BE BETTER FOR A POLICY TO BE OUT THERE,
12 THAT YOU CAN BE ARTICULATE HERE, HERE'S ONE, TWO, THREE AND
13 THEN YOU GO DOWN VS., WELL YOU KNOW YOU GUYS ARE-- BART TOOK
14 SOME BIG HITS, SO THEY ARE HAVING FINANCIAL PROBLEMS. SO WE'RE
15 GOING TO DO A LITTLE BIT OF BE MORE SYMPATHETIC TO THEM. SO
16 WE'LL GIVE THEM, COST OF THE COUNTY, WANTING TO GET OUT AND
17 THEY ARE GOING TO COME AT IT FROM A DIFFERENT WAY. THOSE ARE
18 TWO DIFFERENT SIZED OPERATIONS. SO THAT'S NOT AN APPLE TO
19 APPLE COMPARISON. DOES THAT MAKE SENSE, SUBJECTIVE VS.
20 OBJECTIVE?

21

22 **SPEAKER:** THIS IS SOMEONE OF A UNIQUE SITUATION WITH THE WAY
23 THAT THE CONDO OWNERSHIP IN THE PREVIOUS BUILDING, ABAG AND
24 BART HAVE THEIR IN OAK LAND. THE ENTITY THEY CREATED IS REALLY
25 THE MEMBERS HERE. SO I THINK IT'S, IT'S NOT AN EASY QUESTION

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1 TO ANSWER. WHETHER THERE SHOULD BE SOME GUIDE POST THAT WOULD
2 HELP US IN IN THE FUTURE SITUATIONS HOW FLEXIBLE DO WE WANT TO
3 BE? OBVIOUSLY WE WANT TO PROTECT EVERYONE INVESTMENT HERE. I
4 THINK THE FOCUS REALLY IS GOOD FOR THE FOCUS, IF IT BE ON AN
5 ACTUAL DAMAGES THAT POWER SORT OF SUFFERS BY THESE EXITS.
6 AGAIN, IT'S NOT AN EASY QUESTION TO ANSWER. IN LIGHT OF THE
7 SITUATION. EVERY SITUATION IF THERE ARE MORE OF THESE IN THE
8 FUTURE, WILL BE SOME WHAT UNIQUE. SO, IT'S KIND OF UP TO STAFF
9 AND THE BOARD TO COME UP WITH SOME -- I DON'T KNOW,--SOME
10 POLICY THAT YOU CAN TO HELP US WITH THESE MATTERS. MAYBE BUILD
11 IN SOME FLEXIBILITY IF NECESSARY.

12

13 **DAVE BREES:** WELL I THINK WE'RE ALL IN AGREEMENT, THAT NEEDS
14 TO BE SOME TYPE OF, PEOPLE CAN'T WALK AWAY FROM IT AND EXPECT
15 NOT TO TAKE A HIT. SO THE QUESTION IS, HOW TO COME UP WITH? I
16 THINK THAT WE POTENTIALLY, I UNDERSTAND WHAT BUILDING, HOW
17 THIS IS A UNIQUE SITUATION. BUT AS WE'VE CONTINUED TO TALK
18 ABOUT THIS PROGRAM, AND AS WE LOOK AT COST COMPARISONS, AND IF
19 WE'RE GOING AT 20% THAN PG&E, THAT'S NOT THE NORM. WE'VE BEEN
20 WORKING REALLY HARD TO BRING THAT NUMBER WAY DOWN. BUT, WE'RE
21 STILL CHALLENGING WITH THAT. IF, SELENA, IF WE CAN FIND A
22 BETTER WAY OF DOING THAT, A CHEAPER WAY OF DOING THAT IS
23 CORRECT WE CAN GET OUT OF THIS AFTER ONE YEAR, VS. THREE
24 YEARS, CAN WE GET OUT? HOW ARE WE GOING TO -- I SEE THEIR
25 POTENTIAL FOR THAT FARTHER DOWN THE ROAD. MAYBE WE HANDLE THIS

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1 ONE AS A UNIQUE THING AND THEN BRING THIS BACK AND JUST COME
2 UP WITH SOME OF THOSE GUIDELINES LIKE YOU ARE SUGGESTING.

3

4 **ANDRE DUURVOORT:** SORRY TO INTERRUPT. I THINK YOU RAISED A
5 COUPLE OF REALLY GOOD POINTS. BUT WE COULD QUICKLY GET OUT OF
6 THIS CONVERSATION INTO THE CONVERSATION AROUND RETENTION. BUT
7 I THINK ABSOLUTELY RELATED. WE NEED TO TAKE A LOOK AT THE
8 POLICY AND MEMBERSHIP AGREEMENTS TO PERHAPS CLARIFY OR CREATE
9 SOME KIND OF FORMULA THIS ARE THIS SITUATION. SO THAT IT'S
10 BASED IN FACTS OF THE INDIVIDUAL AGENCY. BUT, YOU'RE
11 ABSOLUTELY RIGHT TO POINT OUT THE ENACT THERE IS GOING TO BE A
12 INCREASED COMPETITIVE LANDSCAPE AS CITIES GET MORE CREATIVE
13 LOOKING AT COST CUTS IN THE NEXT YEAR OR SO. SO, YOU RAISED
14 SOME GOOD POINTS THERE. I THINK IT EMPHASIZES THE FACT WE
15 SHOULD STRIVE TO UPDATE OUR POLICIES BASED ON OUR PURCHASING
16 STRATEGY AND AND OUR OUT LAYS. PERHAPS THIS IS A SUBJECT FOR
17 THEM, VALUE PROPOSITION TO TRY TO MINIMIZE THIS EXIT RISK.

18

19 **DAVE BREES:** SO RYAN, DID WE GIVE YOU WHAT YOU WERE LOOKING
20 FOR? ARE YOU WANTING MORE SPECIFICS?

21

22 **SPEAKER:** I THINK I HAVE A GENERAL DIRECTION. SOMEONE CORRECT
23 ME IF I MISINTERPRETED YOUR STATEMENTS. THERE SEEMS TO BE
24 GENERAL DIRECTION TO ESTABLISH SOME SORT OF, RECOMMEND SOME
25 SORT OF METHODOLOGY FOR CALCULATING WHAT WOULD BE CONSIDERED

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1 DAMAGES BASED ON MAYBE OUR FIXED OR VARIABLE COST EITHER BY AN
2 ACCOUNT BASIS OR A MEMBER BASIS. IT WOULD HAVE TO BE AN
3 ACCOUNT BASIS. GROUPS OR MEMBERSHIP LIKE THAT. THEN BRING BACK
4 FORWARD TO THIS COMMITTEE FOR SOME SORT OF APPROVAL OR WILLING
5 ADOPTION METHODOLOGY. OR IS THERE DIRECTION ON THAT
6 SPECIFICALLY. FOR WHAT IT'S WORTH, BART HAS TRADITIONAL THINGS
7 INDICATED TO ME, AND I BELIEVE I INCLUDED THIS IN THE MEMO.
8 THERE WAS NOT A PARTICULARLY URGENT ITEM ON THEIR MIND.
9 OBVIOUSLY, THEY'VE COMMUNICATED THE INTENT TO DO IT WITHIN THE
10 NEXT THREE YEARS, IT'S THE REASON IT HAS YOUR ATTENTION. BUT
11 NOT NECESSARILY WITHIN THE NEXT THREE MONTHS OR SOMETHING
12 WITHIN THE FISCAL YEAR. I COULD CLARIFY THAT. FOR MY PURPOSES
13 IT WOULD BE HELPFUL TO KNOW WHETHER WE WANT TO TAKE A SECOND
14 ATTACK AT THIS AND APPROVING A METHODOLOGY OR WHETHER WE CAN
15 HAVE STAFF CONDUCT THOSE NEGOTIATIONS SIMULTANEOUSLY WITH
16 BART.

17

18 **SPEAKER:** CAN I ASK MATT TO WEIGH IN PROCESS? ANY ISSUES THAT
19 YOU HAVE ONE WAY OR THE OTHER OR PREFERRED DIRECTION?

20

21 **SPEAKER:** I GUESS THE ISSUE IS WHETHER TO COME UP, WHETHER TO
22 TRY TO NEGOTIATE A DEAL WITH BART BEFORE WE RECOGNIZE THE NEED
23 TO -- THE NEED TO DEVELOP MORE MORE STRUCTURE AROUND THIS
24 ISSUE OF HOW TO TREAT ENTITIES THAT WANT TO EXIT EARLY. SO THE
25 QUESTION IS WHETHER TO NEGOTIATE WITH BART BEFORE WE DO THAT

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1 OR KEEP THE BART CAN DOWN THE ROAD, WHILE WE DO THAT. IT'S NOT
2 REALLY A LEGAL ISSUE. I GUESS IF IT WERE ME, AND IF IT'S IF
3 BART ISN'T PRESSING FOR FOR THIS TO BE WORKED OUT IMMEDIATELY,
4 THEN, IT MAY MAKE SENSE TO GO AHEAD AND TRY TO HAVE STAFF COME
5 UP WITH A SUGGESTED FRAMEWORK. THEN IT COULD BE APPROVED. THE
6 MEMBERSHIP AGREEMENTS, WE HAVE TO TAKE A LOOK AT THOSE, IF WE
7 WANT TO DO THOSE. SO THERE IS, YOU KNOW, THERE IS KIND OF AN
8 ADMINISTRATIVE PROCESS IF YOU WANT DO THIS. IF WE WANT TO
9 REALLY FORMALIZE WHAT OUR THOUGHTS ARE HERE. ANOTHER WAY TO
10 HANDLE THIS, TREAT THESE MORE SUBJECTIVELY, AS THE CHAIR
11 SUGGESTED. BUT AGAIN, THAT DOESN'T LEAVE US WITH A LOT OF --
12 EVERY TIME THIS COMES UP, AND WE'RE KIND OF BACK IN THE SAME
13 BOAT, WHAT WE DO WITH BART WILL BE INSTRUCTIVE TO FOLKS. I
14 DON'T KNOW THAT THERE IS LIKE A BEST WAY TO GO HERE. BUT,
15 FORMALIZING THIS, WHAT STEPS WE TAKE IN THESE CIRCUMSTANCES
16 AND HOW WE WANT TO TAKE IT COULD BE A LOT OF THE
17 ADMINISTRATION TO THAT.

18

19 **DAVE BREES:** WELL I THINK MY PREFERENCE WOULD BE TO DEFER THE
20 BART NEGOTIATION UNTIL WE GET A FORM REQUEST FROM THEM. WE'RE
21 ONLY TALKING ABOUT TWO MONTHS. IF THEY DO SUBMIT SOMETIME
22 BEFORE FEBRUARY MEETING, YOU WOULD BE BRINGING THAT BACK. THE
23 FEBRUARY MEETING. SO, I THINK THAT THE ADMINISTRATIVE
24 CONVERSATIONS THAT HE WAS JUST REFERRING TO THAT STAFF CAN
25 HAVE, AS YOU LOOK AT THOSE AGREEMENTS, THEN TRY TO BRING THAT

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1 BACK TO US AT THE FEBRUARY MEETING. I DON'T THINK, THEY ARE
2 GOING TO HAVE ANY DAMAGE TO WORRY ABOUT BY KICKING IT DOWN THE
3 ROAD FOR TWO MONTHS. SO, I WOULD PREFER NOT TO HAVE STAFF
4 NEGOTIATE. THERE IS A QUESTION BETWEEN HAVING CONVERSATIONS
5 AND NEGOTIATING BUT NOT HAVING THAT ON THE NEGOTIATION SIDE.
6 UNTIL AFTER WE HAVE A CHANCE UNTIL WE SEE THE FIRST ROUND AND
7 THE FIRST CUT, SO THAT WE CAN GIVE YOU -- YOU CAN GIVE US THAT
8 WE CAN RESPOND TO. AS YOU GO INTO THE NEGOTIATIONS YOU HAVE
9 SOME STRUCTURE TO GO FORWARD WITH. WHAT DO THE OTHER COMMITTEE
10 MEMBERS FEEL?

11

12 **DOUG WILLIAMS:** I AGREE WITH YOU ON THAT.

13

14 **DIANA OYLER:** I FEEL MORE COMFORTABLE, IF WE CONSIDER THAT MORE
15 OF A POLICY BEFORE MOVING FORWARD WITH BART AT THIS MOMENT.

16

17 **ANDRE DUURVOORT:** I CONCUR, DAVE. I UNDERSTAND BETTER THAN I
18 SHOULD OR BETTER THAN I WISH HOW LONG DETAILED SOME OF THE
19 POLICY LOOKS CAN BE FROM STAFF TIME. AND SO, I WOULD RECOMMEND
20 THAT STARTING THAT PROCESS AS SOON AS FEASIBLE CONSIDERING THE
21 OTHER INITIATIVE THAT THE STAFF IS WORKING ON AND LET BART
22 MAKE ARE FORMAL REQUEST AT SOME LATER DATE. HOPEFULLY BY THEN,
23 WE'VE HAD A LITTLE MORE TIME TO TAKE A LOOK AT THE POLICIES.

24

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1 **DAVE BREES:** I THINK OUR FOREFATHERS THOUGHT ABOUT, WHEN THEY
2 WERE SETTING UP THESE ORIGINAL AGREEMENTS AND THE NEED FOR THE
3 THREE YEAR EXIT, BECAUSE THE JPA IS STRENGTH IN NUMBERS. IT'S
4 PARTNERSHIP AND FIXED AND OPERATIONAL COST. I THINK THEY SET
5 PRECEDENT IN SAYING, LOOK, HERE'S THE, IF YOU WANT TO GET OUT,
6 YOU CAN GET OUT. THAT'S YOUR CHOICE. HERE'S THE IMPACTS OF
7 DOING THAT. THEY HAD IT SET UP THAT WAY. I'M NOT LOOKING TO
8 REINVENT WHEEL HERE. IF THERE ARE SOME CHANGES AND TWEAKS THAT
9 NEED TO BE MADE, I DON'T THINK WE NEED TO THROW THE BABY OUT
10 WITH THE BATH WATER AND START FRESH. OKAY. SOUND GOOD, RYAN,
11 AND JENNY AND MATT? YOU GET CLEAR DIRECTION?

12

13 **SPEAKER:** THANK YOU FOR THIS CONVERSATION. IT'S HELPFUL.

14

15 **DAVE BREES:** I THINK WE'VE BEEN IN YOUR SHOES, TRYING TO APPEAL
16 TO THE BOARD AND COUNCIL, AND THE BETTER DIRECTION, THE BETTER
17 WE CAN GIVE A RESPONSE AND I WANT TO MAKE SURE THAT WE'RE
18 TRYING TO GIVE YOU CLEAR DIRECTION AND A CLEAR RESPONSE. THIS
19 TAKES US TO ITEM NUMBER EIGHT, OTHER BUSINESS, DOES THE
20 COMMITTEE HAVE ANY OTHER BUSINESS? OR DO WE HAVE ANY MEMBERS
21 PUBLIC THAT WOULD LIKE TO BRING ANYTHING BEFORE THE BOARD?
22 OKAY. SEEING NONE. I SAW YOUR HEAD MOVE, I WAS ASSUMING THAT
23 WAS A, NO. THEN OUR NEXT REGULAR SCHEDULED MEETING IS FOR,
24 WILL BE HELD ON FEBRUARY 18, 2021. AND SO WITH THAT I WOULD
25 LIKE TO BRING THIS MEETING TO A CONCLUSION. THANK YOU, STAFF

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1 AND THANK YOU, COMMITTEE MEMBERS FOR YOUR HARD WORK IN PULLING
2 THIS ALL TOGETHER.

3

4 **SPEAKER:** HAPPY AND SAFE HOLIDAYS.

5

6 **DAVE BREES:** THANK YOU.

7

8 **ANDRE DUURVOORT:** THANKS EVERYBODY.

9

10 **SPEAKER:** HAS TO BE BETTER.

11

12 **SPEAKER:** THANK YOU.

13

14 **SPEAKER:** BYE.

15



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