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Commission Agenda

Date: February 24, 2022
Subject: NCPA Commission Meeting
Location: Meeting is being held via Teleconference
Time: 9:30 am

This meeting is being held in accordance with the Brown Act, Governor Gavin Newsom's Emergency Declaration related to COVID-19 adopted pursuant to the California Emergency Services Act, and Assembly Bill 361, that allow attendance by Commission, Members, staff and the public to participate and conduct the meeting by teleconference.

You may participate in the meeting via teleconference by:

Zoom Link: <https://us06web.zoom.us/j/81081292624>

Meeting ID: 810 8129 2624

Dial: 1 669-900-6833

The Commission may take action on any of the items listed on this Agenda regardless of whether the matter appears on the Consent Calendar or is described as an Action Item, a Report or an Informational Item. This agenda is supplemented by Staff Reports which are available to the public upon request. Pursuant to California Government Code Section 54957.5, the following is the location at which the public can view Agendas and other public writings: NCPA Offices, 651 Commerce Drive, Roseville, California, or www.ncpa.com.

Time estimates are provided as part of the Commission's effort to manage its time at Commission meetings. Listed times are estimated only and are subject to change at any time, including while the meeting is in progress. The Commission reserves the right to use more or less time on any item, to change the order of items, and/or to continue items to another meeting.

Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting or to adapt to the participation of the public. To ensure participation in a particular item, we suggest arriving at the beginning of the meeting and remaining until the item is called.

Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participate in this meeting are requested to contact the NCPA Secretary at 916 781-3636 in advance of the meeting to arrange for such accommodations.

REVIEW SAFETY PROCEDURES

1. *Call Meeting to Order, Introductions and Roll Call (9:30 am – 9:35 am)*
2. *Approve Minutes of the January 20, 2022, Regular Commission Meeting, and the January 20, 2022, Special Commission Meeting (9:35 am – 9:40 am)*

PUBLIC FORUM

Any member of the public who desires to address the Commission on any item considered by the Commission at this meeting before or during the Commission's consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so. Any member of the public who desires to address the Commission on any item within the jurisdiction of the Commission and not listed on the Agenda may do so at this time.

OPEN SESSION

REPORTS AND COMMITTEE UPDATES (9:40 am – 10:00 am)

3. General Manager's Business Progress Report and Update
4. Executive Committee
5. Facilities Committee
6. Finance Committee
7. Legal Committee
8. Legislative & Regulatory Affairs Committee
9. Members' Announcements & Meeting Reporting

CONSENT CALENDAR (10:00 am – 10:10 am)

All items on the Consent Calendar are considered routine and will be approved without discussion by a single roll call vote. Any Commissioner or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar. Prior to the roll call vote to approve the Consent Calendar, the Commissioners will be polled to determine if any Member wishes to abstain from one or more items on the Consent Calendar.

10. *NCPA's Financials for the Month Ended January 31, 2022* – approval by all members.
11. *Treasurer's Report for the Month Ended January 31, 2022* – accept by all members.

12. Debt and Interest Rate Management Report ending December 31, 2021 - accept and file by all members the Debt and Interest Rate Management Report for the period ending December 31, 2021.

Fiscal Impact: The total projected savings over the life of the interest rate swaps was \$13.9 million at the inception of these agreements. Total projected savings through December 31, 2021 was \$8.7 million with actual results at \$13.6 million. The difference between expected savings and actual savings is due to “basis risk,” or the difference between what NCPA pays on the variable rate bonds and the index rate received in the swap transaction. Total basis risk to date is positive, resulting in additional savings of almost \$5.0 million.

13. Resolution 22-14, Government Affairs Consulting Five Year Multi-Task Consulting Services Agreement for State Legislative Consulting Services; Applicable to the following: Northern California Power Agency (NCPA) – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Government Affairs Consulting for state legislative consulting services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$990,000 over five years, for use by NCPA.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$990,000.00 over five years. The fee for these state legislative services will be paid as a \$16,500 monthly retainer including all expenses. The retainer is an 18% increase from the retainer paid from 2009-2021; however, NCPA has not seen an increase in fees with this firm since 2009. This fee will not change over the term of the contract. NCPA expenditures for these services are limited to the amount authorized for state legislative advocacy by the NCPA Commission in the agency’s annual budget.

14. Resolution 22-15, Kanner & Associates Two Year Multi-Task Consulting Services Agreement, with a right to renew for a third year, for Federal Legislative Consulting Services. Applicable to the following: Northern California Power Agency (NCPA) – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement and Option Agreement with Kanner and Associates, LLC consulting for federal legislative and regulatory consulting services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$930,000 for a two-year agreement including a right to renew for a third year, for use by NCPA.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$930,000.00 for two years including the right to renew for a third year. The fee for these federal legislative services will be paid as a \$25,000 monthly retainer plus approved expenses. There is no change to the cost of the retainer from the previous contract, and this retainer amount has remained the same since July 2011. NCPA expenditures for these services are limited to the amount authorized for federal legislative advocacy by the NCPA Commission in the agency’s annual budget

15. Resolution 22-16, EN Engineering, LLC – Five Year Multi-Task Professional Services Agreement for NERC/WECC testing, transmission & distribution consulting and excitation system upgrades; Applicable to the following: All Northern California Power Agency (NCPA) Facilities – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with EN Engineering, LLC for NERC/WECC testing, transmission & distribution consulting and excitation system upgrades, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years, for use at any facilities owned and/or operated by NCPA.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$1,000,000 over five years.

16. Resolution 22-17, Electric Power Systems International, Inc. – Five Year Multi-Task General Services Agreement for Specialized Electrical Maintenance Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Electric Power Systems International, Inc., for specialized electrical maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$3,000,000 over five years.

17. Resolution 22-18, Ernie & Sons Scaffolding dba Unique Scaffold – First Amendment to Five Year Multi-Task General Services Agreement for Scaffolding Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Ernie & Sons Scaffolding dba Unique Scaffold for scaffolding services, with any non-substantial changes recommended and approved by the NCPA General Counsel, increasing the not-to-exceed amount from \$2,000,000 to \$4,000,000, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement will be not to exceed \$4,000,000 over the remainder of the contract term.

18. Resolution 22-19, Projectile Tube Cleaning, Inc. – First Amendment to Five Year Multi-Task General Services Agreement for Specialized High Pressure Cleaning of Industrial Equipment Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Projectile Tube Cleaning, Inc., for specialized high pressure cleaning of industrial equipment, with any non-substantial changes recommended and approved by the NCPA General Counsel, increasing the not-to-exceed amount from \$225,000 to \$1,000,000, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement will be not to exceed \$1,000,000 over the remainder of the contract term.

19. Resolution 22-21, Nexant Cost Allocation Model Update for Fiscal Year 2023 – adopt resolution by all members approving the annual updates to the Nexant Model to allocate certain budgeted costs to members for Fiscal Year 2023.

Fiscal Impact: The annually updated Nexant determinants will result in a change to all members' allocated shares of Power Management costs in varying amounts. Table 1 of Appendix A provides indicative changes in allocated Nexant Power Management costs to members based on current Fiscal Year 2022 budget after applying updated Calendar Year 2021 determinants to the model

- 20. Resolution 22-25, Proclaiming a Local Emergency, Re-Ratifying the Proclamation of a State of Emergency Issued by Governor Gavin Newsom, and Authorizing the Continuation of Remote Teleconference Meetings of the Northern California Power Agency, for the Period of February 24, 2022, through March 26, 2022, Pursuant to the Brown Act Provisions** – adopt resolution by all members Proclaiming a Local Emergency, Re-Ratifying the Proclamation of a State of Emergency Issued by Governor Gavin Newsom, and Authorizing the Continuation of Remote Teleconference Meetings of the Northern California Power Agency, for the Period of February 24, 2022, through March 26, 2022, Pursuant to the Brown Act Provisions.
Fiscal Impact: This report has no direct fiscal impact to the Agency.

Consent Items pulled for discussion: _____

DISCUSSION / ACTION ITEMS (10:10 am – 10:45 am)

- 21. Resolution 22-20, CT1 Controls and Excitation Upgrade Project; Applicable to the following: CT1 Projects** – adopt resolution by all members authorizing the CT1 Controls and Excitation Upgrade Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, without further approval by the Commission, for a total cost not exceed \$2,100,000, and authorizing use of FY22 CT1 Control System Update budgeted project funds in the amount of \$1,500,000, and \$600,000 encumbered funds for the FY21 CT1 Diesel Starter Modification.

Fiscal Impact: The total cost is anticipated not to exceed \$2,100,000. Funds for the project will come from two previously approved projects. First, the CT1 Control System Upgrade project was approved for the FY22 budget in the amount of \$1,500,000. Second, the CT1 Diesel Starter Modification funds were encumbered from the FY21 budget in the amount of \$2,250,000. Staff requests that \$600,000 be allocated from the Diesel Starter Modification project to augment the \$1,500,000 from the CT1 Control System Upgrade project for a total project fund of \$2,100,000. The remaining \$1,650,000 encumbered from the FY21 Diesel Starter Modification project will be refunded to the Participants.

- 22a. Resolution 22-22, Authorizing and Approving the Issuance of Hydroelectric Project Number One Revenue Bonds to Refund Outstanding 2012 Series A Bonds; Approving the Supplemental Indentures of Trust Pursuant to which Such Bonds are to be Issued; Authorizing and Approving Certain Documents in Connection with the Issuance, Securing and Sale of Such Bonds; and Authorizing Certain other Matters Relating thereto** – adopt resolution by all members authorizing to refund outstanding 2012 Series A Bonds.

- 22b. Resolution 22-23, Authorizing and Approving Issuance of Hydroelectric Project Number One Revenue Bonds to Refund Outstanding 2008 Series A Bonds and the Termination of the Interest Rate Swap Relating thereto; Approving the Supplemental Indentures of Trust Pursuant to which such Bonds are to be Issued; Authorizing and Approving Certain Documents in Connection with the Issuance, Securing and Sale of such Bonds; and Authorizing Certain other Matters Relating thereto** – adopt resolution by all members authorizing to refund outstanding 2008 Series A Bonds and terminate related interest rate swap and the related legal documents and delegating the General Manager and other NCPA officials the authority to execute related legal documents and take other actions needed to issue these bonds.

Fiscal Impact: With the passage of SB 450, the following details of the refunding must be disclosed prior to authorization of the bonds. The numbers reflect rates as of February 1, 2022.

Estimated Amount of Proceeds:	\$159.1m
Estimated True Interest Cost:	1.68%
Estimated Cost of Issuance:	\$500,000
Estimated Sum of Debt Service Payments:	\$175.5m

The estimated NPV savings refunding the 2012A bonds is approximately \$13.3 million or 17.4% of refunded bonds through final maturity in 2032. The estimated cost de-risking the outstanding debt by terminating the interest rate swap and fixing out the variable rate debt is (\$518k), or a combined NPV savings of \$12.8m. The estimated refunding debt service savings averages \$1.76m per year.

CLOSED SESSION ITEMS (10:45 am – 11:00 am)

23. CONFERENCE WITH LEGAL COUNSEL – Existing litigation pursuant to Government Code Section 54956.9(d)(1): Name of case: *In Re PG&E Corporation and Pacific Gas and Electric Company, Debtors; United States Bankruptcy Court, Northern District of California*, Case Nos. 19-30088 (Lead Case) and 19-30089 DM.

24. CONFERENCE WITH LEGAL COUNSEL – Existing litigation pursuant to Government Code Section 54956.9(d)(1): Name of case: *Northern California Power Agency, City of Redding, City of Roseville, and City of Santa Clara v. the United States*, Court of Federal Claims No. 14-817C.

OPEN SESSION

REPORT FROM CLOSED SESSION

NEW BUSINESS

ADJOURNMENT