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Commission Minutes

To: NCPA Commission
From: Trisha Zimmer, Assistant Secretary to the Commission
Subject: NCPA Commission Meeting – March 23, 2023

1. *Call Meeting to Order and Introductions*

Chair Jerry Serventi called the meeting to order at 9:47am at the Northern California Power Agency, 651 Commerce Drive, Roseville, California. Introductions and roll call were made. Those in attendance are shown on the attached attendance list.

2. *Approve Minutes of the February 23, 2023, Regular Commission Meeting*

MOTION: A motion was made by Suds Jain, and seconded by Bo Sheppard to approve the minutes of the February 23, 2023, Regular Commission Meeting. The motion carried by a majority on a roll call vote of those Members present as follows:

	Vote	Abstained	Absent
Alameda	Y		
San Francisco BART			X
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto	Y		
Port of Oakland			X
Redding	Y		
Roseville	Y		
Santa Clara	Y		
Shasta Lake	Y		
Truckee Donner	Y		
Ukiah			X
Plumas-Sierra			X

PUBLIC FORUM

Chair Serventi opened the public comment period. No members from the public addressed the Commission. Chair Serventi closed the public comment period.

REPORTS AND COMMITTEE UPDATES

3. *General Manager's Business Progress Report and Update*

General Manager Randy Howard reported:

- NCPA Hydro facilities have been operating around the clock trying to move water.
- Staff is urging Bureau of Reclamation to update their forecast.
- The Geothermal facility has been going through a series of outages – Unit 1 strainer basket damage has been identified, extending the outage. Unit 2 is coming back online at the end of this month.
- Since last report, NCPA staff and a number of Commissioners attended the APPA Legislative Rally in Washington DC. The group met with Congressmen Mike Thompson on Direct Pay as well as a number of other in-person meetings. Staff continues to receive positive feedback on the issues NCPA brought to this event.
- Randy will be headed back to Washington DC along with L&R staff to attend the Spring TAPS Meeting. Staff will attempt to raise transmission issues while there.
- The Utility Directors Retreat was held March 8-10. Staff had very productive discussions on resource issues, risk management, as well as a number of other topics. This was a very productive retreat.
- NCPA was recently notified by ARCHES hydrogen hub group that the Agency was not selected as a Tier 1 project. We could possibly be placed on the Tier 2 level. With this news, this means we would not be eligible to receive funding. Staff will be looking into other funding opportunities.
- Randy recently attended the Lompoc Utility Commission where he discussed their rate review. The utility is facing quite a significant rate increase.
- Randy informed the group that he is planning to schedule meetings in the near future with a number of the members.

4. *Executive Committee*

Committee Chair Serventi reported this morning's Executive Committee meeting included an update from the Generation Services Assistant General Manager, Michael DeBortoli, who provided the group with an update on his goals. The Committee also discussed retiree medical.

5. *Facilities Committee*

Assistant General Manager of Power Management, Tony Zimmer, reported the Facilities Committee met on March 1st. At that meeting the Committee discussed today's Commission meeting items 12 through 15 on the Consent Calendar. A quorum of the Committee was established at the meeting and recommended Commission approval of these items. The next Facilities Committee meeting is scheduled for April 5, 2023.

6. *Finance Committee*

- Committee Chair Catalina Sanchez reported the Finance Committee did not meet since the last Commission meeting, however, on behalf of NCPA staff Ms. Sanchez reported that the Agency did not have any deposits, investments, or a financial relationship with either Silicon Valley Bank or Signature Bank. All investments and banking activities of the Agency are safely secured. The next Finance Committee meeting is scheduled for May 9, 2023.

7. Legal Committee

General Counsel Jane Luckhardt reported the Committee met once since the last Commission meeting on March 2, 2023. The Committee discussed litigation items in Closed Session with no reportable action taken. The Committee also discussed insurance claims being submitted after the winter storms in Texas. These claims stem from a failure to serve power. The cost to defend this suit has been extensive. This was brought to the Committee for awareness.

8. Legislative & Regulatory Affairs Committee

- Committee Chair Jenelle Osborne reported that a delegation of NCPA members represented the Agency at the APPA Legislative Rally in Washington DC. The group participated in APPA's policy making process with the Committee Vice-Chair, David Hagele successfully moving a resolution on behalf of a timely and effective implementation of direct pay provisions by the Treasury Department and the IRS.
- A number of in-person meetings were held as well with a number of House members. Topics included funding for the integration of hydrogen at the LEC, sediment removal at McKays reservoir, the FERC investigation into natural gas market spikes and volatility, direct pay and wildfire policy in the farm bill.
- On March 7th NCPA was notified by ARCHES that the LEC would be excluded from the funding portion of the state's hydrogen hub application to DOE. Staff has since mobilized a strategy to have this determination revisited.
- Sara Fitzsimon was introduced as NCPA's new Federal Government Affairs and Member Programs Manager.
- The group was reminded to register for the Federal Policy Conference which is scheduled to be held April 30 to May 4 in Washington DC. The registration link can be found on NCPAConnect.
- The next L&R Committee meeting is scheduled for April 24th.

9. Members' Announcements & Meeting Reporting

Roseville Utility Director, Dan Beans, reported that the Roseville City Council recently approved the execution of a Section 215 Water Contract with the Bureau of Reclamation to allow for up to 4,200 acre-feet of non-storable flood control water from Folsom Reservoir to be scheduled by the City for the purposes of groundwater recharge using the City's Aquifer Storage and Recovery Wells.

Lompoc Commissioner Jenelle Osborne thanked Monty Hanks and Randy Howard for coming to Lompoc to speak and answer questions regarding their impending rate increase. Randy reminded the group that the May Commission meeting will be held in Lompoc and to stay tuned for upcoming meeting information.

CONSENT CALENDAR

Prior to the roll call vote to approve the Consent Calendar, the Commissioners were polled to determine if any Member wished to pull an item or abstain from one or more items on the Consent Calendar.

MOTION: A motion was made by Jenelle Osborne, and seconded by Pauline Roccucci to approve the Consent Calendar consisting of Agenda Items 10 through 15. The motion carried by a majority of those members present on a roll call vote as follows:

	Vote	Abstained	Absent
Alameda	Y		
San Francisco BART			X
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto	Y		
Port of Oakland	Y		
Redding	Y		
Roseville	Y		
Santa Clara	Y		
Shasta Lake	Y		
Truckee Donner	Y		
Ukiah			X
Plumas-Sierra			X

10. NCPA’s Financials for the Month Ended February 28, 2023 – approval by all Members.

11. Treasurer’s Report for the Month Ended February 28, 2023 – accept by all Members.

12. Resolution 23-24, Reliability Optimization, Inc. – First Amendment to Five Year Multi-Task Consulting Services Agreement for Predictive Maintenance Testing Services; Applicable to the following: All 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 Consulting Services Agreement with Reliability Optimization, Inc. for predictive maintenance testing services, with any non-substantial changes recommended and approved by the NCPA General Counsel, accepting assignment to the RTS Reliability Testing Services, LLC, 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 not-to-exceed amount of the agreement will remain unchanged at \$2,000,000.

13. Resolution 23-25, HRST, Inc. – Five Year Multi-Task General Services Agreement for HRSG Related Inspection Services; Applicable to the following: NCPA, NCPA Members, the 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 HRST, Inc. for HRSG related inspection services, 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, NCPA Members, SCPPA, and SCPPA Members. **Fiscal Impact:** Upon execution the total cost of the agreement will not exceed \$1,000,000 over five years.

14. Resolution 23-26, Swaim Biological Incorporated – Five Year Multi-Task Professional Services Agreement for Biological Monitoring and Support Services; Applicable to the following: NCPA, NCPA Members, SCPPA, and SCPPA Members – adopt resolution by all Members authorizing the General Manager or his designee to enter into a Multi-Task Professional

Services Agreement with Swaim Biological Incorporated for biological monitoring and support services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use by any facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

Fiscal Impact: Upon execution the total not-to-exceed amount of the agreement will not exceed \$500,000 over five years.

- 15. Resolution 23-27, Control Components, Inc. – First Amendment to the Five Year Multi-Task General Services Agreement for Purchase of Equipment, Materials, and Supplies for Valve and Vent Maintenance Services and Parts; applicable to the following: NCPA, NCPA Members, 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 and Agreement for Purchase of Equipment, Materials, and Supplies with Control Components, Inc. for valve and vent maintenance services and parts, with any non-substantial changes recommended and approved by NCPA General Counsel, accepting assignment to IMI Critical Engineering LLC, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

Fiscal Impact: Upon execution, the total not-to-exceed amount of the agreement will remain unchanged at \$1,000,000.

INFORMATIONAL ITEMS

- 16. Proposed Annual Budget Review for Fiscal Year 2024** – Monty Hanks reported that this is a preview of the proposed budget with the Commission. Staff's plan is to bring the final budget to the April 27th Commission Meeting for approval. So far, the budget has been reviewed at the February and March Facilities Committee meetings, the February L&R Committee meeting, the March Utility Directors' Meeting, and the February and March Lodi Energy Center Project Participant Committee meeting.

The proposed budget is totaling approximately \$671 million. This represents a 19% increase over the FY2023 approved budget. Highlights of the budget changes include higher forward curves means higher revenues but also means higher load costs. Transmission costs continue to soar due to increased Wheeling Access and Transmission Access charges. Inflation is impacting the Plants' Operations and Maintenance budgets. Labor costs have remained virtually flat. Although there were increases for salary adjustments and medical costs, this was offset by a reduction in OPEB funding. Controllable expenses stayed within budget guidelines and there are no proposed increases to the current Full-Time Employee counts. Mr. Hanks discussed the budget for each Plant specific project, L&R, Power Management, and the Executive and Administrative Services divisions, and salaries, benefits, and staffing. The Commission discussed and asked questions.

Santa Clara is interested in putting funds in this budget for researching the projects Generation Services has proposed- similar to a R&D fund. Alameda concurred with this suggestion. Chair Serventi asked staff to bring this back to the next Commission meeting with the intent of discussing whether or not to add funds to this budget and seek approval from the Commission about adding R&D funds. Staff should offer different options related to Member funding.

Non-essential Members and NCPA staff were asked to exit the meeting for closed session items.

CLOSED SESSION

Chair Serventi asked General Counsel to move the Commission into closed session at 11:22 am. General Counsel Jane Luckhardt took the Commission into closed session.

17. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- a. Pursuant to Government Code Section 54956.9(d)(1) – Existing Litigation, two (2) cases:
- 1) Case Name: Northern California Power Agency, City of Redding, City of Roseville, and City of Santa Clara v. the United States, United States Court of Appeals for the Federal Circuit, Case No. 23-1188.
 - 2) Case Name: In Re PG&E Corporation and Pacific Gas and Electric Company: United States District Court, Northern District of California, Case No. 4:22-cv-02833-HSG.

18. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION

- a. Pursuant to Government Code Section 54956.9(d)(2) – Potential Litigation, two (2) cases.

OPEN SESSION

RECONVENED TO OPEN SESSION

All meeting attendees rejoined the public meeting at 11:54 am.

REPORT FROM CLOSED SESSION

Closed Session Disclosure: General Counsel Jane Luckhardt reported there was no reportable action taken in closed session.

NEW BUSINESS

No new business was discussed.

ADJOURNMENT

The March 23, 2023, Commission meeting was adjourned at 11:54 am by Chair Serventi.

Respectfully submitted,



JERRY SERVENTI
Commission Chair

Prepared by,



TRISHA ZIMMER
Assistant Secretary to the Commission



Commission Meeting
March 23, 2023
COMMISSIONERS
Attendance List

NCPA Commissioners are requested to sign, but signature by members of the public is voluntary.

MEMBER	NAME
1 - ALAMEDA	<i>Jersey Servat</i>
2 - BIGGS	<i>Bob Sheppard</i>
3 - GRIDLEY	<i>Catalina Sanchez</i>
4 - HEALDSBURG	<i>[Signature]</i>
5 - LODI	MIKEY HOTH
6 - LOMPOC	<i>Jenell Osborne</i>
7 - PALO ALTO	ED LAVING
8 - PLUMAS-SIERRA REC	
9 - PORT OF OAKLAND	
10 - REDDING	JULIE WINTER
11 - ROSEVILLE	<i>Pauline Rocucci</i>
12 - SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	
13 - SANTA CLARA	SUDS JAIN
14 - SHASTA LAKE	<i>Samuel Taylor</i>
15 - TRUCKEE DONNER	STEVEN PONCELET
16 - UKIAH	



**Commission Meeting
March 23, 2023
Attendance List**

NCPA Commissioners, Alternates & Staff are requested to sign, but signature by members of the public is voluntary.

NAME	AFFILIATION
David Hagle	Healthy
Catalina Sanchez	Candley
Michael DeBortoli	NCPA
James Takehara	Staata Lab
Monty Hawks	NCPA
Sara Fitzsimon	NCPA → L&R
Jane Cirvicione	NCPA
Tony Zimmer	NCPA
Randy S. Howard	NCPA
Jane E. Luckhardt	NCPA
Dan Beans	Roseville