



651 Commerce Drive,
Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
web www.ncpa.com

Agenda

Date: August 23, 2018

Subject: NCPA Commission Meeting

Location: NCPA's Roseville Office, 651 Commerce Drive, California

Time: 9:30 am

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.

1. *Call Meeting to Order and Introductions*
2. *Approve minutes of the July 26, 2018, Regular Commission Meeting*

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

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

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 July 31, 2018*** – approval by all members.
11. ***Treasurer's Report for the Month Ended July 31, 2018*** – accept by all members.
12. ***Sale or Disposal of Surplus Property*** - note and file report by all members for the disposal of 3 copy machines and scrap metal.
Fiscal Impact: This report has no direct fiscal impact to the Agency.
13. ***Debt and Interest Rate Management Report June 30, 2018*** – accept by all members the Debt and Interest Rate Management Report for the period ending June 30, 2018.
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 June 30, 2018 was \$6.0 million with actual results at \$10.1 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 used in the swap transaction. Total basis risk to date is positive, resulting in additional savings over those expected of \$4.1 million. Staff continues to monitor the potential for refinancing these bonds and terminating the swaps, however, the large mark-to-market payment due to Citibank, N.A. of over \$13.767 million (net) is making a potential refund not a feasible option at this time.

14. Resolution 18-71, Amendment to NCPA's Personnel Policy and Procedures Manual – adopt resolution by all members approving an amendment to NCPA's Personnel Policy and Procedure Manual language adding Policy 406.19, Time-Off During a State of Emergency, to address issues with displaced employees caused by such an event.

Fiscal Impact: The fiscal impact of approving this policy is difficult to quantify due to the unknown timing, frequency, or number of employees that could be impacted by such an event.

15. Resolution 18-59, Titan Crane & Rigging, Inc. – Five Year Multi-Task General Services Agreement for trucking and crane services; Applicable to the following projects: All NCPA Facility Locations, Members, 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 Titan Crane & Rigging, Inc. for trucking and crane services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$500,000.00 to be used out of the NCPA approved budget. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

16. Resolution 18-60, Eaton Corporation – Five Year Multi-Task General Services Agreement for electrical services; Applicable to the following projects: All NCPA Facility Locations, Members, 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 Eaton Corporation for electrical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$2,000,000.00 to be used out of the NCPA approved budget. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

17. Resolution 18-61, Montrose Air Quality Services, LLC – Five Year Multi-Task Consulting Services Agreement for rata/source/emissions testing services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Montrose Air Quality Services, LLC for rata, source and emissions testing services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$250,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$250,000.00 to be used out of the NCPA approved budget. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

- 18. Resolution 18-62, KW Emerson, Inc. – Five Year Multi-Task General Services Agreement for maintenance tasks including earth work, asphalt patching and paving, minor concrete patching and tunnel maintenance; Applicable to the following projects: All NCPA Facility Locations (with the exception of the LEC facility), Members, 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 KW Emerson, Inc. for maintenance tasks including earth work, asphalt patching and paving, minor concrete patching and tunnel maintenance, 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 all facilities owned and/or operated by NCPA (with the exception of the Lodi Energy Center), its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.
- Fiscal Impact:** Upon execution, the total cost of the agreement is not to exceed \$1,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.
- 19. Resolution 18-63, Danick Mechanical, Inc. – Five Year Multi-Task General Services Agreement for T&M mechanical maintenance services; Applicable to the following projects: All NCPA Facility Locations, Members, 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 Danick Mechanical, Inc. for T&M mechanical maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.
- Fiscal Impact:** T&M mechanical maintenance services are required from time to time related to project support at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.
- 20. Resolution 18-64, Electrical Maintenance Consultants – Five Year Multi-Task General Services Agreement for electrical services; Applicable to the following projects: All NCPA Facility Locations, Members, 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 Electrical Maintenance Consultants for electrical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.
- Fiscal Impact:** Upon execution, the total cost of the agreement is not to exceed \$2,000,000.00 to be used out of the NCPA approved budget. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.
- 21. Resolution 18-66, Gifford’s Backhoe Services, Inc. – Five Year Multi-Task General Services Agreement for miscellaneous maintenance labor and equipment rental; Applicable to the following projects: Geysers Geothermal Plant Facility** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Gifford’s Backhoe Services, Inc., to provide miscellaneous maintenance labor and equipment rental, including trucking of fresh and fire water and vacuum truck 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 the NCPA Geyser Geothermal Plant Facility.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$1,000,000 to be used out of the NCPA Approved budget. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

22. Resolution 18-69, CY 2019 NCPA Capacity Pool Rates – adopt resolution by all members approving the Local Area and System Resource Adequacy capacity rates proposed herein for use in the NCPA Capacity Pool, as further described in Pooling Schedule 4, during the 2019 Resource Adequacy compliance year.

Fiscal Impact: Work associated with developing the NCPA Capacity Pool Local Area and System Resource Adequacy capacity rates was undertaken pursuant to approved Power Management budget categories, and costs associated with this effort are allocated in accordance with approved cost allocation methodologies as described in the NCPA annual budget.

23. Item 23 was pulled from Agenda.

Consent Items pulled for discussion: _____

DISCUSSION / ACTION ITEMS

24. Resolution 18-52, Stanislaus Weather Modification Program - Addendum to the CEQA Initial Study and Negative Declaration (IS/ND). Applicable to NCPA Hydroelectric Facility – adopt resolution by all members approving the Addendum to the CEQA Initial Study and Negative Declaration (IS/ND) for the Stanislaus Weather Modification Program (“Project”).

Fiscal Impact: There are no costs directly associated with approval of the CEQA Addendum; however, pending Commission approval of the Addendum a separate Commission Agenda item will be brought forward seeking to extend the weather modification program. Total cost to extend the program for a five (5)-year period is not-to-exceed \$1,800,000. \$270,000 was included in the fiscal year 2018-19 Hydro budget for weather modification, with an additional \$50,000 allocated for the water-for-power program. Purchase orders associated with agreements executed for this program will utilize approved hydroelectric budget funds.

Scientific experts in the field of weather modification estimate the snow pack can be increased from two to more than ten percent by a well-managed weather modification program. An increase of 2% would result in approximately ten thousand (10,000) MWh per year for the NCPA Hydroelectric Project during an average snow pack year. The value of an additional 10,000 MWh’s for 2019 is on the order of \$375,000 (assuming a weighted price of \$37.50 / MWh). Cost allocation will be based on project participation percentages.

25. Resolution 18-68, Stanislaus Weather Modification Program - Proposal for Extension of Program. Applicable to NCPA Hydroelectric Facility – adopt resolution by all members authorizing the General Manager or his designee to enter into one or more contracts as approved by the NCPA General Counsel, and to issue purchase orders, for a total not-to-exceed amount of \$1,800,000 over five (5) years for the Stanislaus Weather Modification Program.

Fiscal Impact:

Total cost of the program for a five (5)-year period is not-to-exceed \$1,800,000. Based on unit / quantity assumptions provided to contractors, the price proposal recommended for acceptance is for (\$274,793) for the winter period beginning November 1, 2018 through April 30, 2019. Additional costs could be incurred if services are requested for an additional month (through May 2019), or if actual costs (airplane flight time and consumables) are more than anticipated. The proposal also includes options for NCPA to receive services (if requested), for the next four (4) subsequent winters, at an estimated base cost per year as follows:

	Base Cost
Winter 2019-2020	\$291,637
Winter 2020-2021	\$301,399
Winter 2021-2022	\$311,979
Winter 2022-2023	\$322,956

Annual costs will not exceed \$1,800,000 over five years. \$270,000 was included in the fiscal year 2018-19 Hydro budget for weather modification, with an additional \$50,000 allocated for the water-for-power program. Purchase orders associated with agreements executed for this program will utilize approved hydroelectric budget funds.

Scientific experts in the field of weather modification estimate the snow pack can be increased from two to more than ten percent by a well-managed weather modification program. An increase of 2% would result in approximately ten thousand (10,000) MWh per year for the NCPA Hydroelectric Project during an average snow pack year. The value of an additional 10,000 MWh's for 2019 is on the order of \$375,000 (assuming a weighted price of \$37.50 / MWh). Cost allocation will be based on project participation percentages.

26. Amended Resolution 18-48, Increase Authority to the General Manager to enter into agreements and issue purchase orders necessary for turbine maintenance of Alameda CT Unit 1; Applicable to the following projects: NCPA CT1 Facility – adopt amendment to resolution by all members authorizing an increase of the authority of the General Manager of \$800,000, to enter into agreements and issue purchase orders for necessary turbine maintenance of Alameda CT Unit 1, and approval of an increase in the FY19 budget for the Alameda CT Unit 1.

Fiscal Impact: With the replacement turbine, it is expected that the Insurer will claim that they are not responsible for the full cost of the project. Based on the bids received, it is estimated that the Insurer liability would be approximately \$1,712,115 (less deductible). There would be some negotiation required back and forth with the Insurer to settle on the exact amount of coverage, including whether to settle at medium repair or heavy repair. The \$2.8mm cost for the project includes \$138,750 Sales Tax (estimated), and \$161,250 contingency. After the insurance settlement, the expected final cost to members is \$1,587,885. Refunds to Members will occur after the insurance settlement is received.

The Commission approved \$2,000,000 during the June 28th commission meeting. Staff is requesting an additional \$800,000 in funding approval. The Maintenance Reserve would be used to fund the additional \$800,000, and Members would be invoiced monthly in FY2019 to replace the Reserve Fund. Invoicing will be funding needed to replace the reserve, minus any margins received from operations.

27. Resolution 18-67, NCPA Wildfire Mitigation Plan. Applicable to the following projects:
All NCPA Generation Facility Locations – adopt resolution by all members approving the NCPA Wildfire Mitigation Plan, to apply to all NCPA Generation facilities. This plan is to remain in effect until replaced by the NCPA Commission.
Fiscal Impact: The proposed plan is comprised of established NCPA preventive maintenance procedures and practices whose expenses are already covered in the Plant budgets.

CLOSED SESSION

28. 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.

NEW BUSINESS

ADJOURNMENT