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Commission Agenda

Date: August 27, 2020
Subject: NCPA Commission Meeting / Teleconference
Location: NCPA, 651 Commerce Drive, Roseville, California 95678
Time: 9:30 am

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Act, Governor Gavin Newsom's Emergency Declaration related to COVID-19, and Governor Newsom's Executive Order N-29-20 issued March 17, 2020, that allows attendance by NCPA Commissioners, staff and the public to participate and conduct the meeting by teleconference.

You may participate in the meeting via teleconference by:

**Dial: 1 669-900-6833
Meeting ID: 929 9901 3969#**

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 – 9:40 am)*
2. *Approve Minutes of the July 23, 2020, Regular Commission Meeting (9:40 am – 9:45 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 (9:45 am – 10:15 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 (10:15 am – 10:25 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 wishes⁵⁷ to abstain from one or more items on the Consent Calendar.

10. ***NCPA's Financials for the Month Ended July 31, 2020*** – approval by all members.
11. ***Treasurer's Report for the Month Ended July 31, 2020*** – accept by all members.
12. ***Disposal of Northern California Power Agency Surplus Property*** – note and file by all members for the disposal of scrap metal from the Lodi Energy Center.
Fiscal Impact: This report has no direct fiscal impact to the Agency.
13. ***Debt and Interest Rate Management Report – June 30, 2020*** – accept by all members the Debt and Interest Rate Management Report for the period ending June 30, 2020.
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, 2020 was \$7.3 million with actual results at \$12.4 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 \$5 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 \$21.0 million (net) is making a potential refund not a feasible option at this time.
14. ***Resolution 20-50, Approval of Amendment 5 to Contract 96-SNR-00110 (O&M Funding Agreement)*** – adopt resolution by all members approving Amendment 5 to Contract 96-SNR-00110, and authorize the General Manager of NCPA to execute Amendment 5 to Contract 96-SNR-00110, on behalf of NCPA, including any non-substantive modifications to Amendment 5 to Contract 96-SNR-00110 approved by NCPA's General Counsel.
Fiscal Impact: NCPA's administrative costs for processing Amendment 5 to Contract 96-SNR-00110 will be allocated to Members in accordance with approved cost allocation methodologies as described in the NCPA annual budget.
15. ***Resolution 20-57, NorCal Power Services LLC – Five Year Multi-Task General Services Agreement for Electrical Maintenance Related Services; Applicable to the following projects: 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 NorCal Power Services LLC for electrical maintenance related 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 at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members.
Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$500,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.
16. ***Resolution 20-59, Evoqua Water Technologies, LLC – First Amendment to Five Year Multi-Task General Services Agreement for Water Treatment Related Services; Applicable to the following projects: 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 Evoqua Water Technologies, LLC for water treatment related services, with any non-substantial changes

recommended and approved by the NCPA General Counsel, extending the expiration date from September 1, 2020 to November 1, 2020, with no change to the not to exceed amount or other contract terms, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$1,400,000 over the existing five year term, through November 1, 2020. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

- 17. Resolution 20-58, First Global Gear Services, LLC dba FGGS, LLC – Five Year Multi-Task General Services Agreement for Turbo Machinery Related Services; Applicable to the following projects: 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 First Global Gear Services, LLC dba FGGS, LLC for turbo machinery related 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 at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$500,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

- 18. Resolution 20-60, Approval of CY 2021 Northern California Power Agency (NCPA) Capacity Pool Rates –** adopt resolution by all members approving the Local Area, System, and Flexible Resource Adequacy capacity rates proposed herein for use in the NCPA Capacity Pool, as further described in Pooling Schedule 4, during the 2021 Resource Adequacy compliance year.

Fiscal Impact: Work associated with developing the NCPA Capacity Pool Local Area, System, and Flexible 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.

- 19. Resolution 20-61, Use of Excess 2009A Geothermal Debt Reserve Fund to Cover Any FY2020 Geothermal Settlement Shortfall –** adopt resolution by all members authorizing staff to use available excess 2009A Geothermal debt reserve fund monies to cover any FY2020 annual settlement shortfall related to the Geothermal project.

Fiscal Impact: The recommended action should be sufficient to cover the estimated FY2020 shortfall and therefore will not have a fiscal impact to the project participants. Once the final settlements are completed, any remaining funds will then be refunded through NCPA's annual settlement process.

Consent Items pulled for discussion: _____

DISCUSSION / ACTION ITEMS (10:25 am – 10:40 am)

- 20. Approval of Amendment to Resolution 20-18, the NCPA Hydroelectric Wildfire Mitigation Project Request for Additional Funds; Applicable to the following projects: NCPA**

Hydroelectric Facility – approve amendment to resolution by all members authorizing additional funds for the NCPA Hydroelectric Wildfire Mitigation Project, increasing the total not to exceed amount of this project from \$3,000,000 to \$3,250,000, delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the updated project amount, authorizing use of up to \$250,000 from the Hydroelectric Maintenance Reserve Fund, and acknowledging that the Hydro Maintenance Reserve Fund will need to be replenished in future budget years.

Fiscal Impact: The NCPA Hydroelectric Wildfire Mitigation Project was originally approved by Resolution 20-18 with a budget not-to-exceed \$3,000,000, with funds coming from existing Hydroelectric Capital Development Reserve collections. The NCPA Commission acknowledged that additional Capital Development Reserve collections would be proposed in future Hydro Project budgets to refund the Capital Development Reserve account (as needed) for the upcoming McKays Sediment Removal project.

21. Approval of Amendment to Resolution 20-21, Lodi Energy Center Turbine Restoration

Reconciliation; Applicable to the following projects: Lodi Energy Center – approve amendment to resolution by all members authorizing additional funds for the Lodi Energy Center Turbine Restoration Project, increasing the total not to exceed amount of this project from \$50,700,000 to \$51,200,000, delegating authority to the General Manager or his designee to award bids, execute agreements, and issue purchase orders for the updated project amount, authorize the use of up to \$400,000, the balance of which will come from FY20 budget and/or from the LEC Maintenance Reserve Fund, and acknowledging that the LEC Maintenance Reserve Fund will need to be replenished in future budget years, should those funds be needed.

Fiscal Impact: The Project work scope came in \$100,000 less than budgeted, therefore only \$400,000 is needed. Funding for this increase will come from the following sources. Early review of the fiscal year appears to indicate that based on collections received and the projected costs, there is sufficient funds in the FY20 budget to cover the costs. Should the funding fall short, the balance will be funded from the Maintenance Reserve.

22. Resolution 20-62, NCPA Geothermal Plant 1 Fire System Modernization Project;

Applicable to the following projects: NCPA Geothermal Facility – adopt resolution by all members authorizing the NCPA Geothermal Plant 1 Fire System Modernization 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 project not to exceed amount of \$1,800,000, including approval for \$1,000,000 of the project budget to come from the Maintenance Reserve fund.

Fiscal Impact: The Plant 1 Fire System Modernization Project forecast is shown below. Purchase orders referencing the terms and conditions of any agreements executed for work related to this project will be issued following NCPA procurement policies and procedures. Below is a breakdown of the project cost:

- Contractor's Proposed Project Cost = \$1,330,375
- 30% Contingency = \$389,625
- CEC Reviews and Inspections = \$80,000
- **Not to Exceed Project Authorization Total= \$1,800,000**

The project will be funded through the following sources:

- FY2021 Capital Project Budget = \$800,000
- Maintenance Reserve = \$1,000,000

CLOSED SESSION (10:40 am – 11:00 am)

23. 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.

24. 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.

OPEN SESSION

REPORT FROM CLOSED SESSION

NEW BUSINESS

ADJOURNMENT