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Agenda

Date: August 29, 2019
Subject: NCPA Commission Meeting
Location: NCPA, 651 Commerce Drive, Roseville, California, 95678
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.

REVIEW SAFETY PROCEDURES

1. *Call Meeting to Order and Introductions (9:30 – 9:35 am)*
2. *Approve minutes of the July 26, 2019, Regular Commission Meeting (9:35 – 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 – 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 – 10:20 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 July 31, 2019*** – approval by all members.
11. ***Treasurer's Report for the Month Ended July 31, 2019*** – accept by all members.
12. ***Debt and Interest Rate Management Report ending June 30, 2019*** – accept and file by all members the Debt and Interest Rate Management Report for the period ending June 30, 2019.
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, 2019 was \$6.5 million with actual results at \$11.4 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 received in the swap transaction. Total basis risk to date is positive, resulting in additional savings of \$4.9 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 \$15.8 million is making a potential refund not a feasible option at this time.
13. ***Resolution 19-59, Amendment to NCPA's Personnel Policies and Procedures Manual and Policy 401 General Definitions and Policy 411 Employee Retention: Severance Benefits for Involuntary Separation*** – adopt resolution by all members approving an amendment to NCPA's Personnel Policies and Procedures Manual language by revising *Policy 401, General Definitions and Policy 411, Employee Retention: Severance Benefits for Involuntary Separation* to stabilize the Agency's workforce. This is due to conditions of

uncertainty within the electric industry and is meant to recruit and retain employees whom are needed to carry out NCPA's future mission and strategic plan.

Fiscal Impact: The fiscal impact of approving this Policy change is difficult to quantify due to unknown timing, frequency, or the number of employees that could be included. In the last five years, no "At Will" employee has been terminated without cause.

- 14. Resolution 19-60, Aspen Environmental Group – First Amendment to Five Year Multi-Task Consulting Services Agreement; Applicable to the following Projects: All NCPA Facilities (except NCPA's Lodi Energy Center), NCPA Members, Southern California Public Power Authority (SCPPA), or 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 Aspen Environmental Group, with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$240,000 to \$1,000,000, for continued use at any facilities owned and/or operated by Agency, its Members, SCPPA, or SCPPA Members, with the exception of NCPA's Lodi Energy Center.

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 annual operating budgets as services are rendered.

- 15. Resolution 19-61, Brenntag Pacific, Inc. – Five Year Multi-Task Agreement for Purchase of Supplies for bulk chemical purchases; Applicable to the following projects: All NCPA Facility Locations** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Supplies with Brenntag Pacific, Inc. for bulk chemical purchases, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 over five years, for use at all facilities owned and/or operated by NCPA.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$2,500,000 over five years, to be used out of the NCPA approved annual operating budgets.

- 16. Resolution 19-62, Integrated Engineers and Contractors Corporation dba IEC Corporation – Five Year Multi-Task Professional Services Agreement for energy related consulting services; Applicable to the following projects: 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 Multi-Task Professional Services Agreement with Integrated Engineers and Contractors Corporation dba IEC Corporation for energy related consulting 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 all facilities owned and/or operated by NCPA, its Members, 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 the NCPA approved annual operating budgets.

- 17. Resolution 19-63 CT1 Facilities Generator Circuit Breaker Replacement Project; Applicable to the following projects: CT1 Alameda and CT1 Lodi Facilities** – adopt resolution by all members authorizing the replacement of the generator circuit breakers at NCPA's CT1 Alameda and CT1 Lodi facilities and authorizing the General Manager or his designee to enter into agreements and to issue purchase orders to complete this work without further approval by the Commission, with a total cost not to exceed \$510,000.

Fiscal Impact: Total cost of the work is estimated up to \$510,000. This project is included in the current fiscal year budget for \$750,000. Cost allocation will be based on project participation percentages.

Consent Items pulled for discussion: _____

DISCUSSION / ACTION ITEMS (10:20 – 10:50 am)

18. Resolution 19-64, Geothermal Q-Site Drilling Project – adopt resolution by all members expanding the scope of the current P-Site Drilling Project to include additional work on Q-Site wells using excess funds from the P-Site Drilling Project, and authorizing the General Manager or his designee to issue purchase orders for the additional work on the Q-Site wells.

Fiscal Impact: Total cost of the P-Site Drilling Project is not to exceed \$9,000,000, as previously approved in the November 28, 2018 Commission meeting. Work on the additional Q-Site wells will be covered using excess funds from the P-Site Drilling Project. The P-Site Drilling Project was included in the current fiscal year budget. Funds for this project are available in the Generation Services GEO account (accounting code 265-023-000-634-044-001). Cost allocation will be based on project participation percentages.

19. Resolution 19-65, PG&E Negotiated Gas Transmission Rate Agreement – adopt resolution by all members authorizing the General Manager or his designee to execute a Negotiated Rate Contract with PG&E for gas transmission service. The agreement will not be finalized until after the CPUC approval of the Gas Rate case. Commission approval is subject to final numbers being no greater than 10% higher than the estimate provided below. The final agreement will be subject to NCPA General Counsel review to ensure it is consistent with the information provided.

Fiscal Impact: The reduced rate will allow NCPA's CT units to be more competitive in the market, which in turn will allow for a higher capacity factor and increased margins.

20. Resolution 19-66, Approve the Amended Employment Agreement by and between NCPA and Randy S. Howard – adopt resolution by all members approving the Amended Employment Agreement by and between NCPA and Randy S. Howard beginning on August 29, 2019; and approve the Amended Employment Agreement by and between NCPA and Randy S. Howard as its General Manager in substantially the form presented at this meeting and direct the Chair of the Commission to execute it on behalf of the Agency.

Fiscal Impact: There is no fiscal impact to the Executive Services Salaries and Benefits account, and the cost associated the General Manager's compensation change is covered within the current fiscal year budget.

CLOSED SESSION (10:50 – 11:30 am)

21. 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.

22. 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.

23.

a. *Conference with Labor Negotiators* – Pursuant to Government Code section 54957.6: Agency representatives: NCPA Executive Committee Members and Assistant General Manager/CFO Monty Hanks: Public Employee: General Manager.

b. *Continue Prior Appointment of Public Employee* – Pursuant to Government Code Section 54957: Public Employee: General Manager.

NEW BUSINESS

ADJOURNMENT