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Commission Minutes

To: NCPA Commission
From: Trisha Zimmer, Assistant Secretary to the Commission
Subject: NCPA Commission Meeting – October 26, 2023

1. *Call Meeting to Order and Introductions*

Chair Jerry Serventi called the meeting to order at 9:31am at 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 October 6, 2023, Regular Commission Meeting*

MOTION: A motion was made by Pauline Roccucci, and seconded by Jenelle Osborne to approve the minutes of the October 6, 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	Y		
Plumas-Sierra	Y		

PUBLIC FORUM

Chair Serventi asked if any members of the public were present who would like to address the Commission on the agenda items. No members of the public were present.

REPORTS AND COMMITTEE UPDATES

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

Randy Howard reported:

- DOE announced the ARCHES' application for the hydrogen hub proposal was successful. NCPA may receive up to \$50 million from that grant. DOE will be holding a contract negotiation meeting on November 1st with ARCHES. NCPA will need to have a presence and stay engaged on this effort.
- Attended a Special Council meeting at the City of Ukiah and spoke to community members on Energy 101 topics.
- Scheduled to speak at a Lodi Community Engagement event this evening to talk about the hydrogen project.
- The Agency has hired a new Geothermal Plant Manager. His references really speak to his leadership skills. Once the offer and acceptance is finalized, he will officially be announced.
- Headquarters held an Employee Appreciation lunch for the first time since COVID.
- Was recently asked to join the launch committee for the Pathways (West-Wide Governance Pathway Initiative) effort. This is a new governing body that will take on all transmission governance in the West Regional Transmission organization.

4. *Executive Committee*

Committee Chair Serventi reported the Executive Committee met this morning and recommended approval of the 2024 Committee Meeting Calendar as well as the Reclassification of the Engineer V, Supervising Plant, Hydroelectric Facilities to Supervisor III. The Committee was briefed on the roles and responsibilities of the Executive Committee and the annual performance review process for the General Manager and General Counsel.

5. *Facilities Committee*

Power Management Assistant General Manager, Tony Zimmer, reported the Facilities Committee met on October 11. 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 during discussions regarding items 12 through 15 and the Members present recommended approval. The next Facilities Committee meeting is scheduled for November 1, 2023.

6. *Finance Committee*

Finance Committee Chair, Mikey Hothi, reported the Finance Committee met on October 17 and reviewed item 16 on the Consent Calendar and items 17 and 18 for Discussion/Action. All items were recommended for approval. The Finance Committee was also presented with an overview of the California CLASS investment pool, a professionally managed local government investment pool that allows public agencies to diversify investments as an alternative to LAIF, CAMP, or other money market funds. While the current rate of this money market is a 5.51%, the members will continue to evaluate whether to include this as a permitted investment in NCPA's Investment Policy.

NCPA staff shared the funding status of the Agency's PERS pension plan and Other Post-Employment Benefits plan. The PERS pension plan's funding level decreased to 67% from 75% one year ago largely due to paper losses from investments and a lowering of the discount rate. By a majority vote, the Committee confirmed to stay on the 15-year funding plan for the Unfunded Accrued Liability.

The OPEB plan, on June 30, 2023, still reflected a super-funded status of 110% compared to 130% two years ago. At this time, only the normal cost is required for funding which is about \$1.1 million. Since \$1.8 million was collected during the FY2023 year, \$700,000 will be returned to the members through final settlements. The next Finance Committee meeting is scheduled for November 14.

7. Legal Committee

General Counsel Jane Luckhardt reported the Committee has not met since the last Commission Meeting.

8. Legislative & Regulatory Affairs Committee

L&R Committee Chair, Jenelle Osborne, reported that California’s ARCHES application was awarded \$1.2 billion for its hydrogen hub proposal on October 13. Policy support from the L&R Committee will be important in a few areas including the need to ensure that the full benefit of the hydrogen tax credit can be realized and is not undermined by stakeholder proposed additionality provisions. Also, garnering state funding to supplement federal dollars will be essential. Public outreach with the media is already underway.

On October 20th, the wood waste legislation was introduced in Congress with Lompoc’s Member of Congress Salud Carbajal. The Fire Safe Electrical Corridors Act would enable utilities to clear vegetation under utility infrastructure located on federal lands without being burdened with the responsibility to sell the timber/wood waste. The existing timber sale requirement has presented a significant obstacle to fire prevention.

9. Members’ Announcements & Meeting Reporting

No member updates were provided.

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. No items were requested to be pulled from the Consent Calendar.

MOTION: A motion was made by Pauline Roccucci, and seconded by Dean Batchelor to approve the Consent Calendar consisting of Agenda Items 10 through 16. 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	Y		
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	Y		
Plumas-Sierra	Y		

10. ***NCPA's Financials for the Month Ended September 30, 2023*** – approval by all Members.
11. ***Treasurer's Report for the Month Ended September 30, 2023*** – accept by all Members.
12. ***Resolution 23-90, High Sierra Timber Management, LLC – Five-Year Multi-Task General Services Agreement; Applicable to the following: All NCPA Facilities, NCPA Members, SCPPA, and SCPPA Members*** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Five-Year Multi-Task General Services Agreement with High Sierra Timber Management, LLC. for vegetation management 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, by SCPPA and SCPPA Members.
Fiscal Impact: Upon execution, the total cost of the agreement will not exceed \$1,000,000 over five years.
13. ***Resolution 23-91, American Crane Rental, Inc. – Five-Year Multi-Task General Services Agreement; Applicable to the following: All NCPA Facilities, NCPA Members, SCPPA and SCPPA Members*** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Five-Year Multi-Task General Services Agreement with American Crane Rental, Inc. for crane related services, with any non-substantial changes recommended and approved by the NCPA General Counsel which shall not exceed \$1,500,000, 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 will not exceed \$1,500,000 over five years.
14. ***Resolution 23-92, Bayside Insulation & Construction, Inc. – Five-Year Multi-Task General Services Agreement; Applicable to the following: All NCPA Facilities, NCPA Members, SCPPA and SCPPA Members*** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Five-Year Multi-Task General Services Agreement with Bayside Insulation & Construction, Inc. for insulation services, with any non-substantial changes recommended and approved by the NCPA General Counsel which shall not exceed \$500,000, 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 will not exceed \$500,000 over five years.
15. ***Resolution 23-89, ABM Building Solutions, LLC – Five-Year Multi-Task General Services Agreement; Applicable to the following: All NCPA Facilities***– adopt resolution by all members authorizing the General Manager or his designee to enter into a Five-Year Multi-Task General Services Agreement with ABM Building Solutions, LLC for HVAC maintenance, repair, building automation, cooling tower water treatment, indoor air quality evaluation, and design-planning services, with any non-substantial changes recommended and approved by the NCPA General Counsel which shall not exceed \$350,000, for use at any facilities owned and/or operated by NCPA.
Fiscal Impact: Upon execution, the total cost of the agreement will not exceed \$350,000 over five years.

16. Annual Financial Statement and Associated Audit Report and Letters for Years Ending June 30, 2023 and 2022 – accept and file by all members the Annual Financial Statement and Associated Audit Report and Letters for Years ending June 30, 2023 and 2022.

Fiscal Impact: This financial report for the years ended June 30, 2023 and 2022 has no direct budget impact to NCPA, it reports on the fiscal impacts for the last fiscal year.

DISCUSSION/ACTION ITEMS

17. 2024 NCPA Committee Meeting Calendar – approval by all members. Jane Luckhardt requested to remove the January, June and July Legal Committee meetings from the 2024 calendar.

Fiscal Impact: This item has no direct fiscal impact to the Agency.

Motion: A motion was made by Suds Jain and seconded by Julie Winter recommending approval of the 2024 Committee Meeting calendar with Jane Luckhardt’s recommended changes. 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	Y		
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	Y		
Plumas-Sierra	Y		

18. Resolution 23-95, Appointment to the NCPA Finance Committee – adopt resolution by all members authorizing the appointment of Katie Edgar, Finance Director for the City of Healdsburg, as a member of the NCPA Finance Committee. Administrative Services Assistant General Manager, Monty Hanks explained that when Mikey Hothi was ratified as the Chair of the Finance Committee, Melissa Price (Lodi) vacated her role as a member of the Finance Committee. A solicitation for a new member was sent to NCPA’s smaller utilities. A nomination was received and discussed by the Finance Committee on October 17th. The Committee unanimously recommended Ms. Edgar to be appointed as a Member of the Finance Committee.

Fiscal Impact: There is no fiscal impact in appointing Katie Edgar as a member of the Finance Committee.

Motion: A motion was made by David Hagele and seconded by Bo Sheppard recommending the Commission adopt Resolution 23-95 appointing Katie Edgar, Finance Director for the City of Healdsburg, as a member of the NCPA Finance Committee. 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	Y		
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	Y		
Plumas-Sierra	Y		

19. Resolution 23-93, Approve 2024 LEC Spring Outage – adopt resolution by all members authorizing the LEC 2024 Spring Outage and delegate authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the outage in accordance with NCPA Purchasing Policies and Procedures without further approval by the Commission which shall not exceed \$3,479,649. Generation Services Assistant General Manager, Mike DeBortoli, explained that this is a routine outage. He discussed the key items that will be addressed during this outage including: HRSG maintenance, electrical maintenance, high energy piping survey, Cooling Tower gearbox and fill replacement, water plant maintenance, service water piping replacement, ST annual inspection, and a number of other incidental items. **Fiscal Impact:** the budgetary funds to complete the 2024 Spring Outage includes \$1,935,000 of pre-collected funds in the Maintenance Reserve. Additional funds in the amount of \$396,582 were anticipated in the Fixed Maintenance, \$1,073,067 in the O&M Project Annual Outage Project and \$75,000 from the Service Water Piping replacement. All items are part of the FY2024 Routine O&M Budget.

Motion: A motion was made by Jenelle Osborne and seconded by Suds Jain recommending the Commission adopt Resolution 23-93 authorizing the LEC 2024 Spring Outage and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the outage in accordance with NCPA Purchasing Policies and Procedures without further approval by the Commission, for a total cost not to exceed \$3,479,649. 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	Y		
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto	Y		
Port of Oakland			X
Redding		X	
Roseville		X	
Santa Clara	Y		
Shasta Lake	Y		
Truckee Donner		X	
Ukiah	Y		
Plumas-Sierra	Y		

20. Resolution 23-94, Gas Turbine Thermal Performance Upgrade Feasibility Study – adopt resolution by all members delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders in accordance with NCPA Purchasing Policies and Procedures without further approval by the Commission for a total cost not to exceed \$300,000. Mike DeBortoli provided background and detailed information regarding this study. The study to be conducted will help to decide whether or not to go forward with the Gas Turbine Thermal Performance Upgrade. That project is currently estimated to cost approximately \$12 million. CDWR (LEC Project Participant) did not support this study, however, the motion passed by majority during the October 23 LEC PPC meeting.

Fiscal Impact: The budgetary funds to complete the feasibility study include \$300,000 or pre-collected funds in the Maintenance Reserve. These funds were carried over into the FY2024 budget from the LEC 2023 Spring Outage.

Motion: A motion was made by Suds Jain and seconded by Bo Sheppard recommending the Commission adopt Resolution 23-94 authorizing the LEC Gas Turbine Thermal Performance Upgrade Feasibility Study and delegate authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders in accordance with NCPA Purchasing Policies and Procedures without further approval by the Commission, for a total cost not to exceed \$300,000 to be funded from the Maintenance Reserve. 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	Y		
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto	Y		
Port of Oakland			X
Redding		X	
Roseville		X	
Santa Clara	Y		
Shasta Lake	Y		
Truckee Donner	Y		
Ukiah	Y		
Plumas-Sierra	Y		

21. Overview of the FY2025 Budget Process and Approach – request for Commission guidance and direct staff to prepare for the FY2025 NCPA Operating Budget in accordance with the accepted directions. Monty Hanks reported that the FY2025 Budget process will be mostly the same as in years past, however, staff will be scheduling a combined Facilities and Finance Committee meeting in order for both groups to review and provide feedback in one meeting. He discussed some of the activity that will affect this upcoming Budget including, Hydro projects, Geothermal projects, LEC upgrade, forward prices, as well as new money requests for the STIG Upgrade, Geothermal BESS, and Hydrogen project. Staff recommends a target budget increase of approximately 3.5% for plant operating and maintenance costs and a 0-3.5% increase for all other operating expenses. Salaries will have a target range of \$1.1 million which will include Union increases/adjustments, broadbanding adjustments for merits, promotions, upgrades, etc.

Fiscal Impact: Direction provided in this presentation will provide budget guidance for FY2025. Specific fiscal impact is not known at this time. Actual fiscal impact will be presented at the time of final approval of the budget, currently scheduled for April 2024.

Motion: A motion was made by Dean Batchelor and seconded by Jenelle Osborne recommending the Commission direct staff to prepare the FY2025 Operating Budget in accordance with the process and approach as detailed in the presentation provided. 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	Y		
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	Y		
Plumas-Sierra	Y		

INFORMATIONAL ITEMS

22. Overview of the FY2023 Annual Billing Settlement Process and Preliminary Results– Treasurer-Controller, Sondra Ainsworth, reported that staff received the final results of the Annual Billing Settlement process late last week, therefore today’s information are the final numbers. The net refund of excess collections due to participants at fiscal year-end is \$6.8 million. The Plant settlement amount totals \$2.8 million, Management Services \$2 million and Pass-Through Costs and Interest and other income of \$2 million. Refunds are expected to be made by late December.

CLOSED SESSION

Chair Serventi asked General Counsel to move the Commission into closed session at 11:08 am. General Counsel Jane Luckhardt took the Commission into closed session.

23. CONFERENCE WITH LEGAL COUNSEL – pursuant to Government Code Section 54956.9(d)(2) – Anticipated Litigation – one (1) case.

24. CONFERENCE WITH LEGAL COUNSEL – pursuant to Government Code Section 54956.9(d)(1) – Existing Litigation regarding the following cases:

FERC TO18:

- Pacific Gas and Electric Co., Federal Energy Regulatory Commission, Docket No. ER16-2320
- Pacific Gas and Electric Co., Federal Energy Regulatory Commission, Docket No. EL18-108

FERC TO19:

- Pacific Gas and Electric Co., Federal Energy Regulatory Commission, Docket No. ER17-2154
- California Public Utilities Commission, et al. v. Pacific Gas and Electric Co., Federal Energy Regulatory Commission, Docket No. EL17-95

FERC TO20:

- Pacific Gas and Electric Co., Federal Energy Regulatory Commission, Docket No. ER19-13
- Pacific Gas and Electric Co., Federal Energy Regulatory Commission, Docket No. ER19-1816
- Pacific Gas and Electric Co., Federal Energy Regulatory Commission, Docket No. ER20-2265

D.C. Circuit:

- Pacific Gas and Electric Co. v. Federal Energy Regulatory Commission, D.C. Circuit Case No. 21-1061 (lead), consolidated with Case Nos. 21-1135, 21-1172, 21-1204, 22-1095, 22-1113, 23-1262.

Sacramento Superior Court:

- City of Santa Clara dba Silicon Valley Power and Northern California Power Agency, Plaintiffs, v. California Department of Water Resources, Defendant, Sacramento County Superior Court, Case No. 34-2023-00338449

OPEN SESSION

RECONVENED TO OPEN SESSION

The Commission reconvened open session at 11:36 am.

REPORT FROM CLOSED SESSION

General Counsel Jane Luckhardt reported there was no reportable action taken in closed session.

NEW BUSINESS

No new business discussed.

ADJOURNMENT

The October 26, 2023, Commission meeting was adjourned at 11:38 am by Chair Serventi.

Respectfully submitted,



JERRY SERVENTI
Commission Chair

Prepared by,



TRISHA ZIMMER
Assistant Secretary to the Commission



Commission Meeting
October 26, 2023
COMMISSIONERS
Attendance List


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

MEMBER	NAME
1 - ALAMEDA	<i>Jeremy Senechal</i>
2 - BIGGS	<i>Bo Sheppard</i>
3 - GRIDLEY	CATALINA SANCHEZ
4 - HEALDSBURG	DAVID HAGELE
5 - LODI	MIKEY HOTHI
6 - LOMPOC	<i>Johnson</i>
7 - PALO ALTO	<i>Dean Batchelor</i>
8 - PLUMAS-SIERRA REC	LARRY PRICE
9 - PORT OF OAKLAND	
10 - REDDING	JULIE WINTER
11 - ROSEVILLE	<i>Pauline Racusci</i>
12 - SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	YULIYA SHMIDT
13 - SANTA CLARA	SUDS JAIN
14 - SHASTA LAKE	JAMES TAKEHARA
15 - TRUCKEE DONNER	JARED CARPENTER
16 - UKIAH	CINDY SAVERS



**Commission Meeting
October 26, 2023
Attendance List**

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

NAME	AFFILIATION
Dan Beans 	Roseville
Jane Cirrincione	NCPA
Tony Zimm	NCPA
Morty Hanks	NCPA
Jane Luckhardt	NCPA
Randy Howard	NCPA