



651 Commerce Drive,
Roseville, CA 95678

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

Agenda

Date: November 29, 2018

Subject: NCPA Commission Meeting

Location: NCPA's Roseville Office, 651 Commerce Drive, Roseville, 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 (9:30 – 9:35 am)*
2. *Approve minutes of the October 25, 2018 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 – 10:25 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 wishes to abstain from one or more items on the Consent Calendar.

10. NCPA's Financials for the Month Ended October 31, 2018 – approval by all members.

11. NCPA's Treasurer's Report for the Month Ended October 31, 2018 – accept by all members.

12. Resolution 18-88, Thermal Engineering International (USA), Inc. – Five Year Multi-Task Professional Services Agreement for Engineering 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 Professional Services Agreement with Thermal Engineering International (USA), Inc. for engineering 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, 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 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.

- 13. Resolution 18-90, Well Analysis Corporation, Inc., dba WELACO, Inc. – Five year Multi-Task General Services Agreement for Well Related 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 Well Analysis Corporation, Inc., dba WELACO, Inc. for well 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, 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 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.
- 14. Resolution 18-91, AECOM Technical Services, Inc. – First Amendment to Five Year Multi-Task Consulting Services Agreement for Injection Well Related Consulting 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 First Amendment to Multi-Task Consulting Services Agreement with AECOM Technical Services, Inc., for injection well related consulting services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall increase the not exceed amount from \$100,000 to \$500,000, 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 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.
- 15. Resolution 18-92, Wagner Mechanical, Inc. – Five Year Multi-Task General Services Agreement for General T&M 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 Wagner Mechanical, Inc., for general T&M maintenance 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, 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 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 18-93, Nor-Cal Controls ES, Inc. – First Amendment to Five Year Multi-Task Professional Services Agreement for Control Systems Support 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 First Amendment to Multi-Task Professional Services Agreement with Nor-Cal Controls ES, Inc., for control systems support services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall increase

the not to exceed amount from \$350,000 to \$800,000, 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 \$800,000 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.

- 17. Resolution 18-94, Bay Valve Service & Engineering, Inc. – Five Year Multi-Task General Services Agreement for Valve Related 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 Bay Valve Service & Engineering, Inc. for valve related testing and maintenance 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, 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 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 18-95, Reliability Management Group – First Amendment to Two Year Multi-Task Consulting Services Agreement for Miscellaneous Consulting 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 First Amendment to the Multi-Task Consulting Services Agreement with Reliability Management Group for miscellaneous consulting services related to warehouse operations and inventory management, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall increase the not to exceed amount from \$100,000 to \$500,000 and make this agreement available for use at any facilities owned or operated by NCPA, its Members, Southern California Public Power Authority (“SCPPA”), or SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$500,000 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.

- 19. Resolution 18-96, Capuano Engineering Company – Five Year Multi-Task Consulting Services Agreement for Assisting in Development of New or Production Well Workovers, Interpretation of Well Analysis Reports and Supervision During Drilling Operations. Applicable to the following projects: All NCPA Generation Facilities** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Capuano Engineering Company for assisting in development of new or production well workovers, interpretation of well analysis reports, and supervision during drilling operations, 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.

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.

20. Resolution 18-97, Westgate Petroleum Company, Inc. – First Amendment to Five Year Agreement for the Purchase of Equipment, Materials and Supplies for Delivery of Fuel and Other Miscellaneous Petroleum Products. Applicable to the following project: NCPA Geothermal Facility – adopt resolution by all members authorizing the General Manager or his designee to enter into a First Amendment to the Agreement for the Purchase of Equipment, Materials and Supplies with Westgate Petroleum Company, Inc., for delivery of fuel and other miscellaneous petroleum products, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall increase the not to exceed amount from \$1,350,000 to \$2,350,000, for use at the Geysers Geothermal Plant Facility.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$2,350,000 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.

21. Resolution 18-98, Bay Cities Pyrotec, Inc. – Public Works Agreement for CT1 Fire System Upgrade. Applicable to the following projects: CT1 Alameda and CT1 Lodi Facilities – adopt resolution by all members authorizing the General Manager or his designee to enter into a Public Works Agreement with Bay Cities Pyrotec, Inc., for CT1 fire system upgrade services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$328,684.47, for use at the NCPA CT1 Alameda and CT1 Lodi facilities.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$328,684.47 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 18-99, Hibbard Inshore, LLC General Services Agreement for a Remotely Operated Vehicle Inspection of the Collierville Power Tunnel. Applicable to the following project: NCPA Hydroelectric Facility – adopt resolution by all members authorizing the General Manager or his designee to enter into a General Services Agreement and to issue Purchase Orders to Hibbard Inshore, LLC., for remote operated vehicle inspection of the Collierville power tunnel, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$400,000 for use at the NCPA Hydroelectric Facility

Fiscal Impact: The total cost of the project is anticipated to be \$296,381, but it is recommended that an approximately 35% contingency be included in the authorization in consideration of unknowns such as the actual condition of the tunnel and the potential for interference from items such as abandoned construction cables. This project was included in the current fiscal year budget, with \$250,000 directly allocated for this purpose. The FY19 budget also includes \$170,000 for dam and structure maintenance. Cost allocation will be based on project participation percentages.

23. Resolution 18-104, Approval of Three Multi-Task Agreements to provide EM&V and Technical Advisory Services – adopt resolution by all members authorizing the General Manager or his designee to enter into three separate multi-task agreements to provide EM&V and Technical Advisory Services to NCPA, NCPA Members, as well as members of the Southern California Public Power Authority, with any non-substantial changes recommended and approved by the NCPA General Counsel, with: 1) ADM Associates, in an amount not-to-exceed \$800,000; 2) Cadmus Group LLC, in an amount not-to-exceed \$800,000; and 3) Energy and Resources Solution, in an amount not-to-exceed \$800,000.

Fiscal Impact: No fiscal impact to NCPA. The total not-to-exceed cost of the three agreements is \$2,400,000 (or \$800,000 for each agreement), an amount that is not included in the current fiscal year budget. Funds will be made available by each NCPA and SCPA member that requests services from any of the three vendors, on a pass-through basis, in conjunction with the NCPA Shared Services Agreement.

24. Resolution 18-110, Review and Approve Investment Policy Guidelines and Delegate Investment Duties to the Treasurer-Controller – adopt resolution by all members adopting the following: annual review of NCPA’s Investment Policy No. 200-100 and a recommendation of no changes to the current policy; confirming delegation to the Treasurer-Controller the authority to invest, or to reinvest funds of the Agency, or to sell or exchange securities so purchased; and Treasurer-Controller assumes full responsibility for investment transactions until the authority is revoked or expires, and shall make a report each month of those transactions to the Commission.

Fiscal Impact: There is no direct dollar impact to this proposed policy. The resolution approves the Agency policy surrounding investments and delegates authority to the Treasurer-Controller for the investment activities of the Agency.

25. Resolution 18-111, FY2018 Annual Billing Settlements – adopt resolution by all members approving the FY2017-2018 Annual Billing Settlements.

Fiscal Impact: Upon approval by Agency Commission the amount of \$4,122,701 will be distributed to participants. NCPA member refund amounts will be deposited into their respective General Operating Reserve accounts, and non-members will either receive a debit or credit miscellaneous billing in early December with payment due by the end of December. Biggs, Gridley, Healdsburg, Plumas-Sierra, Roseville, Santa Clara, and Ukiah directed that their proportionate refunds totaling \$2,851,910 for the Hydro and Geo projects be deposited into the Hydro Capital Development (\$1,052,176) and Geo Maintenance (\$1,799,734) Reserves and used to fund the McKay’s Reservoir Clean Out and Well Replacement/Workover Projects, respectively.

26. Resolution 18-112, Approval of Major Insurance Renewals for the Policy Year of 2019 – adopt resolution by all members authorizing the General Manager to negotiate and bind property damage, liability and workers’ compensation coverages amounts as presented (or better) and a not-to-exceed proposed premiums of approximately \$2,420,178.

Fiscal Impact: The total cost of the policy year 2019 insurance programs is about \$3,009,930 or 3.08% below calendar year 2019 budget (half of FY2018 and half of FY2019 budget) of \$3,105,664 for the underlined programs.

27. Sale or Disposal of Surplus Property – note and file report by all Members for the disposal of two 24V DC Isolators and two Sulzer Turbine Speed Indicators.

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

Consent Items pulled for discussion: _____

DISCUSSION / ACTION ITEMS (10:25 – 11:15 am)

28. Resolution 18-100, P-Site Well Workovers Project; Applicable to the following projects: NCPA Geothermal Facility – adopt resolution by all members authorizing the Geothermal P-Site Well Workovers Project and delegating authority to the General Manager or his designee to award bids, enter into agreements, and issue purchase orders for the Project in accordance with NCPA Purchasing Policies and Procedures without

further approval by the Commission, for a total not to exceed project cost of \$9 Million (subject to approval of \$3 Million in the FY2020 budget to complete the proposed work for all four wells).

Fiscal Impact: Total cost of the proposed workover project for all four wells is not to exceed \$9,000,000. This project was included in the current fiscal year budget in the amount of \$6 Million for work on two wells. As noted, the additional \$3 Million for the Project will be included in the proposed FY2020 Budget.

29. ITEM 29 WAS PULLED AND DEFERRED TO THE JANUARY 17, 2019 COMMISSION MEETING.

30. Resolution 18-105, Bond, Disclosure and Special Tax Counsel Services - Approve the Selection of Norton Rose Fulbright US LLP and Nixon Peabody LLP to Provide Bond, Disclosure, and Special Tax Counsel Services and Authorize the General Manager to Execute Agreements for these Specialized Services – adopt resolution by all members authorizing the General Manager or his designee to enter into enabling Legal Services Agreements with Norton Rose Fulbright US LLP and Nixon Peabody LLP to provide Bond, Disclosure, and Special Tax Counsel services as requested, each agreement in an amount not-to-exceed \$1,000,000 over a five (5) year term, with any non-substantial changes as recommended and approved by the NCPA General Counsel
Fiscal Impact: The costs for bond, disclosure and tax counsel services are dependent on the Agency’s authorization, issuance and sale of bonds and related activities. These services are typically included as costs of issuance funded with bond proceeds and are not included as part of the approved annual budget. According to the *NCPA Variable Rate Debt and Interest Rate Management Policy*, a target of 5% net present value (NPV) savings is desired before considering a bond refunding. The 5% NPV savings is net of costs of issuance, including bond, disclosure and tax counsel legal services.

31. Resolution 18-86, Approval of Resolution Commending Bob Lingl – adopt resolution by all members commending Bob Lingl.

32. Resolution 18-87, Approval of Resolution Commending John Roukema – adopt resolution by all members commending John Roukema.

33. Resolution 18-113, Approval of Resolution Commending Bonnie Gore – adopt resolution by all members commending Bonnie Gore.

34. Resolution 18-114, Approval of Resolution Commending Dan Kenney – adopt resolution by all members commending Dan Kenney.

35. Resolution 18-115, Approval of Resolution Commending Patrick Kolstad – adopt resolution by all members commending Patrick Kolstad.

CLOSED SESSION (11:15 am – 12:30 pm)

36. 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.

- 37. Conference with Legal Counsel** – Anticipated Litigation – pursuant to paragraph (4) of subdivision (d) of Government Code section 54956.9: One (1) case.
- 38. Conference with Legal Counsel** – Existing litigation pursuant to California Government Code Section 54956.9(d)(1): One (1) case: Pacific Gas and Electric Company's (U 39 G) 2019 Gas Transmission and Storage Rate Case, *Application of Pacific Gas and Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2019 – 2021*, California Public Utilities Commission Application 17-11-009 (filed November 17, 2017).
- 39. Conference with Labor Negotiators and Performance Evaluation** – pursuant to Government Code section 54957.6: Agency representatives: NCPA Executive Committee Members, Assistant General Manager/CFO Monty Hanks and Human Resources Manager Vicki Cichocki; and Government Code section 54957: Performance Evaluation: Unrepresented Public Employee: Two (2) categories: General Manager and General Counsel.
- 40. Conference with Labor Negotiators** – pursuant to Government Code Section 54957.6: Agency representatives: General Manager Randy S. Howard, Assistant General Manager Ken Speer, Assistant General Manager Monty Hanks, and Human Resources Manager Vicki Cichocki. Employee organization: IBEW 1245 (Geothermal and Combustion Turbines).
- 41. Conference with Labor Negotiators** – pursuant to Government Code Section 54957.6: Agency representatives: General Manager Randy S. Howard, Assistant General Manager Ken Speer, Assistant General Manager Monty Hanks, and Human Resources Manager Vicki Cichocki. Employee organization: Hydroelectric Employees Association (HEA).

DISCUSSION / ACTION ITEMS (12:30 – 1:00 pm)

- 42. Resolution 18-101, Pacific Gas and Electric Natural Gas Negotiated Rate Contract Extension** – adopt resolution by all members authorizing the General Manager or his designee to negotiate and execute an extension of the gas transportation rate contract between NCPA and Pacific Gas and Electric Company, to remain in effect until the end of the current Gas Transportation Rate Case.
Fiscal Impact: The reduced rate allows LEC to be more competitive in the market. This allows for a higher capacity factor and increased margins.
- 43. Resolution 18-106, Approval of Third Amendment to Employment Agreement with Randy S. Howard General Manager** – adopt resolution by all members approving the Third Amendment to the Employment Agreement between NCPA and Randy S. Howard; authorize the Chair of the Commission to execute the Third Amendment to the Employment Agreement; and approve the General Manager's Performance Goals for 2019.
Fiscal Impact: Funds are available in the Executive Services Salaries and Benefits account, and there is no material change to the current fiscal year budget.
- 44. Resolution 18-107, Approval of Second Amendment to Employment Agreement with Jane E. Luckhardt General Counsel** – adopt resolution by all members approving the Second Amendment to the Employment Agreement between NCPA and Jane E. Luckhardt; authorize the Chair of the Commission to execute the Second Amendment to the Employment Agreement; and approve the General Counsel's Performance Goals for 2019.

Fiscal Impact: Funds are available in the Executive Services – Legal Salaries and Benefits account; there is no material change to the current fiscal year budget.

45. Resolution 18-108, IBEW Local 1245 Memorandum of Understanding – adopt resolution by all members approving the proposed labor package for IBEW Local 1245 employees for the period of December 23, 2018 through December 22, 2021, which was bargained in good faith based on the direction provided to management’s negotiating representatives, and authorize the General Manager to make the required modifications in the Memorandum of Understanding (MOU) to implement the economic and non-economic agreed terms and conditions.

46. Resolution 18-109, Hydroelectric Employees Association Memorandum of Understanding – adopt resolution by all members approving the proposed labor package for the Hydroelectric Employees Association (HEA) employees for the period of December 23, 2018 through December 22, 2021, which was bargained in good faith based on the direction provided to management’s negotiating representatives, and authorize the General Manager to make the required modifications in the Memorandum of Understanding (MOU) to implement the economic and non-economic agreed terms and conditions.

NEW BUSINESS

ADJOURNMENT