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Agenda

Date: February 21, 2019

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.

REVIEW SAFETY PROCEDURES

1. *Call Meeting to Order and Introductions (9:30 am – 9:35 am)*
2. *Approve minutes of the January 17, 2019, Regular Commission Meeting, and the January 17, 2019, and February 7, 2019 Special Commission Meetings (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 January 31, 2019 – approval by all members.

11. Treasurer's Report for the Month Ended January 31, 2019 – accept by all members.

12. December 31, 2018, Debt and Interest Rate Management Report – accept and file by all members the December 31, 2018, Debt and Interest Rate Management Report.

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 December 31, 2018, was \$6.3 million with actual results at \$10.7 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 \$4.4 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 \$14.2 million (net) is making a potential refund not a feasible option at this time.

13. Resolution 19-14, Updates and Modifications to the Nexant Cost Allocation Model for FY2020 – adopt resolution by all members approving the updates and modifications to the Nexant Model as proposed by staff in order to allocate budgeted costs to members for FY2020.

Fiscal Impact: The recommended adjustments will result in a change to all applicable Members' allocated share of Power Management costs by varying amounts. Table 2 of Appendix A provides indicative changes in allocated Nexant Power Management costs to members based on current FY2019 budget after applying updated determinants to the model in addition to the modifications described in items 1 and 2 as presented at the February 6, 2019, Facilities Committee meeting. Many of the Information Services software enhancements to the dispatch operations and associated scheduling and settlements applications performed over the past year have led to improved efficiencies throughout the Agency, which has essentially increased workload capacity. This has allowed Power Management to expand scheduling coordinator services to new customers, generating new revenue, to offset the Members' Nexant-related costs without adding new staff.

- 14. Resolution 19-15, North American Substation Services, LLC – Five Year Multi-Task General Services Agreement for Transformer 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 North American Substation Services, LLC for transformer related 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: Upon execution, the total cost of the agreement is not to exceed \$1,000,000.00 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.

- 15. Resolution 19-16, Fremouw Environmental Services, Inc. – Five Year Multi-Task General Services Agreement for Waste Removal Services; 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 General Services Agreement with Fremouw Environmental Services, Inc., for waste removal services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000.00 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 \$3,000,000.00 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.

- 16. Resolution 19-17, Valley Power Systems North, Inc. – Five Year Multi-Task General Services Agreement for fire pump 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 Valley Power Systems North, Inc., for fire pump maintenance 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.

- 17. Resolution 19-18, Bayside Insulation & Construction, Inc. – Five Year Multi-Task General Services Agreement for Insulation Services; Applicable to the following projects: All NCPA Facility Locations, Members, SPCPA, and SPCPA Members** – adopt resolution by all members authorizing the General Manager or his designee to enter into a 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 \$500,000.00 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.
- 18. Resolution 19-19, K.S. Dunbar & Associates, Inc. – Five Year Multi-Task Consulting Services Agreement for NEPA and CEQA Document Preparation and Consulting Services; Applicable to the following projects: All NCPA Facility Locations, Members, SPCPA and SPCPA Members** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with K.S. Dunbar & Associates, Inc., for NEPA and CEQA document preparation and 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, 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 19-20, Hart High-Voltage Apparatus Repair and Testing Co., Inc. – First Amendment to Five Year Multi-Task General Services Agreement for Specialized Electrical Services; Applicable to the following projects: All NCPA Facility Locations, Members, SPCPA, and SPCPA 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 Hart High-Voltage Apparatus Repair and Testing Co., Inc., for specialized electrical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall increase the not to exceed amount from \$700,000 to \$2,700,000, for use at all facilities owned and/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 \$2,700,000, 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 19-21, Brian Davis dba Northern Industrial Construction – First Amendment to Five Year Multi-Task General Services Agreement for welding, labor and materials for miscellaneous maintenance services; Applicable to the following projects: All NCPA Facility Locations, Members, SPCPA, and SPCPA 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 for miscellaneous maintenance services, including but not limited to welding, labor, and materials, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall increase the not to exceed amount from \$1,000,000 to \$2,000,000, for use at any facilities owned and/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 \$2,000,000, 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.

21. Resolution 19-22, Geothermal Resource Group – Five Year Multi-Task Consulting Services 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: NCPA Geothermal plant facility – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Geothermal Resource Group 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 \$500,000 over five years, for use at the NCPA Geothermal plant facility.

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.

22. Resolution 19-23, Nick Barbieri Trucking, LLC dba Redwood Coast Fuels – Five Year Agreement for Purchase of Equipment, Materials and Supplies to provide delivery of fuels, oils, lubricants and other miscellaneous petroleum products; Applicable to the following projects: NCPA Geothermal plant facility – adopt resolution by all members authorizing the General Manager or his designee to enter into an Agreement for Purchase of Equipment, Materials and Supplies with Nick Barbieri Trucking, LLC dba Redwood Coast Fuels for the delivery of fuels, oils, lubricants, and other miscellaneous petroleum products with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at the NCPA Geothermal plant facility.

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

23. Resolution 19-24, Western Area Power Administration (WAPA) Letter of Agreement 19-SNR-02195 – adopt resolution by all members approving the Letter of Agreement 19-SNR-02195, including any non-substantive modifications approved by NCPA's General Counsel, and authorize the General Manager of NCPA to execute Letter of Agreement 19-SNR-02195 on behalf of NCPA.

Fiscal Impact: Pursuant to Letter of Agreement 19-SNR-02195, no later than 45 days after the execution of the settlement agreement, WAPA shall pay NCPA an amount of \$175,224.57 in the form of a credit on NCPA's Base Resource power bill. The settlement credit received from WAPA will be allocated to the NCPA members' whose Base Resource deliveries were curtailed on July 27, 2018.

24. Resolution 19-25, The California Department of Water Resources (CDWR) Western System Power Pool (WSPP) Master Confirmation – adopt resolution by all members approving the CDWR Contracting Package, including any non-substantive modifications approved by NCPA’s General Counsel, and authorize the General Manager of NCPA to execute the CDWR Contracting Package, on behalf of NCPA.

Fiscal Impact: Work associated with review and development of the Contracting Package 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.

25. Resolution 19-26, Appointment to the Finance Committee – adopt resolution by all members ratifying the appointment of Eric Campbell, employee of the City of Roseville, as a member of the Finance Committee.

Fiscal Impact: There is no direct fiscal impact as a result of this report.

Consent Items pulled for discussion: _____

DISCUSSION / ACTION ITEMS (10:20 – 10:45 am)

26. Resolution 19-10, Amended and Restated Agreement Regarding the Use and Non-Disclosure of Confidential Information and License to Use Intellectual Property – adopt resolution by all members approving the Amended and Restated Agreement Regarding the Use and Non-Disclosure of Confidential Information and License to Use Intellectual Property (Amended and Restated NDA), including any non-substantive modifications approved by NCPA’s General Counsel, and authorize the General Manager of NCPA, acting on behalf of NCPA, to execute the Amended and Restated NDA upon execution by a Member or Customer.

Fiscal Impact: Work associated with developing the Amended and Restated NDA was undertaken pursuant to approved NCPA budget categories, and costs associated with this effort are allocated in accordance with approved cost allocation methodologies as described in the NCPA annual budget.

27. Resolution 19-13, Authorizing and Approving the Issuance of up to \$58 Million Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series A (tax-exempt) and \$2 Million Hydroelectric Project Number One Revenue Bonds, 2019 Taxable Refunding Series B – adopt resolution by all members authorizing and approving the issuance of up to \$58 million of fixed rate Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series A (tax-exempt) and up to \$2 million fixed rate Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series B (taxable) and delegates the General Manager and other NCPA officials the authority to execute related legal documents needed to issue these bonds.

Fiscal Impact: With the passage of SB 450, the following details of the refunding must be disclosed prior to authorization of the bonds. The numbers reflect rates as of January 25, 2019.

Estimated Amount of Proceeds:	\$49,636,516
Estimated True Interest Cost:	1.629%
Estimated Cost of Issuance:	\$247,223
Estimated Sum of Debt Service Payments:	\$51,531,642

Estimated NPV savings over the current debt service is approximately \$3.7 million or 7.05% of refunded bonds through final maturity in 2024. The estimated average annual debt service savings for a full bond year is over \$1.7 million.

CLOSED SESSION (10:45 – 11:30 am)

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.

29. Conference with Legal Counsel – Initiation of litigation pursuant to Government Code Section 54956.9 paragraph (4) of subdivision (d): three potential cases.

NEW BUSINESS

ADJOURNMENT