



651 Commerce Drive,  
Roseville, CA 95678

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

# Agenda

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**Date:** August 24, 2017  
**Subject:** NCPA Commission Meeting / Teleconference  
**Location:** NCPA's Roseville Office, 651 Commerce Drive, California  
**Time:** 9:30 am

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\*\*\* In compliance with the Brown Act, you may participate via teleconference at one of the locations listed below, or attend at NCPA Headquarters. In either case, please: 1) post this Agenda at a publicly accessible location at the participation location at least 72-hours before the call begins, and 2) have a speaker phone available for any member of the public who may wish to attend at your location. \*\*\*

<b>NORTHERN CALIFORNIA POWER AGENCY</b> 651 Commerce Drive Roseville, CA	<b>CITY OF PALO ALTO</b> 250 Hamilton Avenue Palo Alto, CA
<b>CITY OF REDDING</b> 777 Cypress Avenue Redding, CA 96001	

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](http://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 July 27, 2017, 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 and Regulatory Affairs Committee
9. Members' Announcements and Meeting Reporting

### **CONSENT CALENDAR (10:15 – 10:30 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 Months Ended July 31, 2017** – approval by all members.

**11. Treasurer's Report for the Months Ended July 31, 2017** – accept by all members.

**12. Debt and Interest Rate Management Report June 30, 2017** – accept by all members the Debt and Interest Rate Management Report June 30, 2017.

**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, 2017 was \$5.3 million with actual results at \$9.1 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 \$3.8 million. Staff continues to monitor the potential for refinancing these bonds and terminating the swaps, however, with rates still near historical lows, this is causing a large mark-to-market payment due to Citibank, N.A. of over \$15.2 million (net) making a potential refund not a feasible option at this time.

- 13. Resolution 17-73, Appointment of Finance Committee Members** – adopt resolution by all members ratifying the appointment of David Hagele, Council Member for the City of Healdsburg, as a member and Chairperson of the Finance Committee.

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

- 14. Resolution 17-74, Review and Approve Amendments to NCPA's Investment Policy and Guidelines Policy 200-100** – adopt resolution by all members approving the changes to the NCPA Investment Policy No. 200-100 as follows: 1) minor language clean-up; 2) updates to the Permitted Investments attachment; 3) changes to the Investment Fund Objectives attachment; and 4) removal to the Authorized Financial Institutions attachment.

**Fiscal Impact:** Staff believes with the proposed amendments to the Investment Policy, there is the potential of adding approximately \$500,000 annually of additional interest income and member savings through a reduction of current liquidity (determining what is adequate and matched with current cash flow requirements) and implementing a diversified portfolio of investments

- 15. Resolution 17-67, Approval of CY 2018 Capacity Pool Rates** – adopt resolution by all members approving the Local Area and System Resource Adequacy capacity rates proposed herein for use in the NCPA Capacity Pool, as described in Pooling Schedule 4 of the Second Amended and Restated Pooling Agreement, during the 2018 Resource Adequacy compliance year.

**Fiscal Impact:** Work associated with development of the NCPA Capacity Pool Local Area and System Resource Adequacy capacity rates has been 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.

- 16. Resolution 17-68, Approval of Amendment to the Facilities Rates Agreement Schedule 2** – adopt resolution by all members approving an amendment to Facilities Schedule 2 of the Amended and Restated Facilities Agreement, to include the Antelope Expansion Phase 1 Solar Facility as a NCPA Project.

**Fiscal Impact:** Costs associated with development of this amendment are included as part of the NCPA annual budget, and such costs shall be allocated in accordance with the NCPA annual budget.

- 17. Resolution 17-69, Kinectrics North America, Inc. – Five Year Multi-Task Professional Services Agreement for generator testing and assessment 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 Kinectrics North America, Inc., for generator testing and assessment 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.

- 18. Resolution 17-70, Mechanical Analysis/Repair, Inc., dba Martech – First Amendment to Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA Generation Plant Facilities, 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 Multi-Task General Services Agreement with Mechanical Analysis/Repair, Inc., dba Martech, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$550,000 over five years for use at any facilities owned and/or operated by Agency, its Members, SCPPA or SCPPA members.

**Fiscal Impact:** Total cost of the agreement is not to exceed \$550,000 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 17-71, Summit Crane Company of Solano, Inc., dba Summit Crane – Five Year Multi-Task General Services Agreement for crane 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 Summit Crane Company of Solano, Inc., dba Summit Crane for crane 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 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.

- 20. Resolution 17-72, The Avogadro Group, LLC – First Amendment to Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA Generation Services Plant 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 General Services Agreement with The Avogadro Group, LLC, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$250,000 over five years for use at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority (“SCPPA”) or SCPPA Members.

**Fiscal Impact:** Total cost of the agreement is not-to-exceed \$250,000 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.

## **DISCUSSION / ACTION ITEMS (10:30 – 10:45 am)**

**21. *New Hometown Connections, Inc.***, – Northern California Power Agency membership in a new nonprofit corporation, new Hometown Connections, Inc., that will provide advanced metering systems and data management services to public power entities. The corporation may also provide access to reduced cost vendor services, and public power management and strategic consulting.

## **CLOSED SESSION (10:45 – 11:30 am)**

**22. *Conference with Legal Counsel*** discussion with asset purchase negotiators pursuant to Government Code Section 54956.8: the potential purchase of Hometown Connections, Inc., including their existing lease and other assets located at 12081 W. Alameda Parkway, #464, Lakewood, CO 80228. The asset purchase negotiators will be Randy Howard and Bob Caracristi. NCPA's negotiators will negotiate with Alabama Municipal Electric Authority, Public Power Inc. and American Public Power Association. Commission instruction to the negotiators may include both price and terms of payment.

**23. *Conference with Legal Counsel*** existing litigation pursuant to California Government Code Section 54956.9(d)(1): Three cases:

- a) Northern California Power Agency as a member of the Northern California Generation Coalition, *Northern California Generation Coalition Petition for Modification of Decision 16-06-056*, California Public Utilities Commission Application 13-12-012 & Investigation 14-06-016 (filed June 23, 2017).
- b) Northern California Power Agency as a member of the Northern California Generation Coalition, *Application of Dynegy Inc. and the Northern California Generation Coalition for Rehearing of Decision 16-06-056*, California Public Utilities Commission Application 13-12-012 & Investigation 14-06-016 (filed August 1, 2016).
- c) *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.

## **NEW BUSINESS**

## **ADJOURNMENT**