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Agenda

Date: September 29, 2017
Subject: NCPA Commission Meeting
Location: Silverado Resort, Ballroom, 1600 Atlas Peak Road, Napa, California
Time: 10:00 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 (10:00 – 10:05 am)*
2. *Approve minutes of the August 24, 2017, Regular Commission Meeting (10:05 – 10:10 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 (10:10 – 10:45 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 (10:45 – 11:00 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 August 31, 2017*** – approval by all members.
11. ***Treasurer's Report for the Months Ended August 31, 2017*** – accept by all members.
12. ***Sale or Disposal of Surplus Property*** – note and file by all members the disposal of insulation materials, safety relief valve spare parts, Rosemount housings, surveying equipment, 24 volt battery load tester, key cabinet, and Yokogawa totalizers.
Fiscal Impact: This report has no direct fiscal impact to the Agency.
13. ***Resolution 17-76, Ethos Energy Power Plant Services, LLC – Five Year Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Material and Supplies; 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 and Agreement for Purchase of Equipment, Material and Supplies with Ethos Energy Power Plant Services, LLC, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years and to issue purchase orders associated with the contract. 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 \$1,500,000 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.

- 14. Resolution 17-77, Ford Construction Company, Inc. – Five Year Multi-Task General Services Agreement for maintenance tasks including earthwork, asphalt patch and paving, minor concrete patching and tunnel maintenance; Applicable to the following projects: All NCPA Facility Locations (with exception of the Lodi Energy Center), NCPA 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 Ford Construction Company, Inc., for maintenance services to include earthwork, asphalt patching, utility easement work, minor road maintenance and tunnel maintenance, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years. This contract would be available for use at all facilities owned and/or operated by NCPA (with exception of the Lodi Energy Center), NCPA Members, by the Southern California Public Power Authority (“SCPAA”), or by SCPAA Members.
Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$3,000,000 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.
- 15. Resolution 17-78, Agreement for Banking Services between U.S. Bank N.A. and NCPA** – adopt resolution by all members authorizing the General Manager or his designee to enter into an Agreement for Banking Services with U.S. Bank, N.A. for a three-year term with an option of two, one-year renewals. The agreement includes fixed pricing for the term (up to five years).
Fiscal Impact: The three-year term will include a fixed pricing structure and most of the savings (or new interest income) will be due to an increase in the ECR, the setting of a PEG balance, a decrease in pricing of various expense items, and the creation of a money market ‘Sweep’ account. The result of these actions is estimated to add at least \$10,000 per month or \$120,000 per year in new interest income to Members and Non-Members and still offset the U.S. Bank banking fees.
- 16. Resolution 17-79, Approval of Revisions to NCPA’s Energy Risk Management Policy** – adopt resolution by all members approving implementing and establishing a revised Northern California Power Agency Energy Risk Management Policy.
Fiscal Impact: There is no fiscal impact as a result of the annual review or proposed revision to the Energy Risk Management Policy.
- 17. Resolution 17-80, Approval of Finance Committee Charter** – adopt resolution by all members approving establishing a Finance Committee Charter, which will better define the roles and responsibilities for the Finance Committee as described in the NCPA By-Laws.
Fiscal Impact: There is no direct dollar impact to approve a Finance Committee Charter.
- 18. Resolution 17-81, NCPA Headquarters Perimeter Security Fence and Gates Project** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Public Works Agreement with FenceCorp, Inc., and to issue Purchase Orders associated with the Project for a total not-to-exceed cost of \$401,648 for construction of the NCPA Headquarters Perimeter Security Fence and Gates Project.
Fiscal Impact: Staff’s initial Project cost estimate in 2015 was \$285,000. The cost of the Project is now estimated to be \$386,648, which includes the sum of \$30,471 expended to date for review by the City of Roseville, design and engineering costs, and related printing and title expenses. Based on the results of the formal bidding process, which included two rounds of public bidding and subsequent negotiations, the Project cost includes the cost for the fence construction of \$323,467, electrical work, landscaping alterations, permitting, and additional engineering work. Staff recommends adding a contingency of approximately 4% for the

remaining work in the amount of \$15,000, bringing the Project cost to a total not-to-exceed amount of \$401,648. All funding necessary for this project has been budgeted for and no new budgeted dollars are being requested.

- 19. Resolution 17-82, NCPA Financial Advisory Services – Three year Multi-Task Consulting Services Agreement with PFM Financial Advisors LLC for Ongoing Financial Structure and Debt Management Tasks; and Three year Multi-Task Consulting Services Agreement with PFM Swap Advisors LLC for Swap Advisory Services** – authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with PFM Financial Advisors LLC (PFM) for financial advisory services including ongoing financial structure and debt management tasks for not to exceed \$500,000 over three years; and to enter into a separate Multi-Task Consulting Services Agreement with PFM Swap Advisors LLC for additional financial advisory services in connection with the issuance or proposed issuance of swaps or derivatives for not to exceed \$150,000 over three years; both agreements with any non-substantive changes recommended and approved by the NCPA General Counsel, and including the option of two, two-year renewals for a maximum term of seven years.

Fiscal Impact: PFM agreed to maintain the existing annual cost at the 2006 pricing level of a not-to-exceed amount of \$55,000 for financial structure and debt management tasks. That annual cost is to be apportioned \$50,000 to PFM Financial Advisors LLC for the financial structure and debt management tasks and \$5,000 to PFM Swap Advisors LLC. In addition, unlimited use of the SwapViewer valuation tool software will be provided by PFM Swap Advisors LLC at an annual cost of \$7,500. Both agreements also include a not to exceed amount for annual travel expense costs.

The resulting cost for the agreement with PFM Financial Advisors LLC for the ongoing financial structure and specific debt management tasks is not to exceed \$168,000 for the initial three-year term. The first year services in the amount of not to exceed \$56,000 is included in the approved budget for fiscal year 2017-18. Should the Agency exercise the option to extend the agreement, both renewal periods would be at the same annual cost as the initial three year term. In addition, the agreement's not to exceed amount of \$500,000 allows for utilization of the vendor's services by NCPA Members as needed. This dollar amount is not a guarantee that Agency will pay that full amount to PFM, but is merely a limit of potential expenditures under the enabling agreement.

The resulting cost for the agreement with PFM Swap Advisors LLC for the continuing review of and recommendations concerning the Agency's overall financial structure as related to swaps and derivatives, as well as identifying areas which can be improved upon or enhanced and unlimited use of the Swap Viewer valuation tool software, is not to exceed \$37,500 for the initial three year term. The first year services in the amount of not to exceed \$12,500 is included in the approved budget for fiscal year 2017-18. Should the Agency exercise the option to extend the agreement, both renewal periods would be at the same annual cost as the initial three year term. Further, the agreement's not to exceed amount of \$150,000 also allows for utilization of the vendor's services by NCPA Members as needed. This dollar amount is not a guarantee that Agency will pay that full amount to PFM Swap Advisors, but is merely a limit of potential expenditures under the enabling agreement.

Transaction specific services including bond issuance transaction costs will be determined as such services are needed and are typically paid from bond proceeds.

- 20. Resolution 17-83, Approve Appointment of Retired Annuitant to Serve In a Limited Duration Assignment as Field Office Administrator at the Geothermal Facility** – adopt resolution by all members approving the interim and limited term appointment of retired

annuitant, Pamela Bordi, to serve as the Field Office Administrator at the Geothermal Facility, without reinstatement from retirement or loss or interruption of benefits provided by the Public Employees' Retirement System under Government Code Section 21221(h).

Fiscal Impact: There is no fiscal impact for the appointment of retired annuitant, Pamela Bordi, to serve as the Field Office Administrator at the Geothermal Facility, because the costs are included in the approved budget for FY 2017-18.

21. Resolution 17-84, Approval of Extension of Natural Gas Pipeline Transportation

Contracts for the NGTL and Foothills BC Pipeline Transportation Systems – adopt resolution by all members authorizing the General Manager, on behalf of NCPA, to extend the natural gas pipeline transportation contracts to maintain NCPA's natural gas pipeline transport volume rights on the NOVA and Foothills transportation systems for five (5) years through October 31, 2023.

Fiscal Impact: Based on current transportation rates, the cost for acquiring natural gas pipeline transportation capacity on the NOVA system is approximately \$145,000 per year, and acquiring natural gas pipeline transportation capacity on the Foothills system is approximately \$70,000 per year. All costs associated with acquiring natural gas pipeline transportation capacity on the NOVA and Foothills system are included in the NCPA annual budget, and are treated as Project Costs and allocated to the STIG project participants based on their respective project participation percentages.

DISCUSSION / ACTION ITEMS (11:00 – 11:30 am)

22. Resolution 17-85, Provision of Services to Pioneer Community Energy – adopt resolution

by all members approving and authorizing: (i) NCPA to enter into a Services Agreement with Pioneer Community Energy under which NCPA may supply certain scheduling and portfolio management services to Pioneer Community Energy, including any non-substantive modification to the Services Agreement approved by NCPA's General Counsel, and (ii) delegated authority to the General Manager of NCPA to negotiate the amount of compensation to be charged to Pioneer Community Energy for NCPA's provision of Services within a defined range, as further set forth herein.

Fiscal Impact: NCPA staff recommends that the Commission delegate authority to the General Manager of NCPA to negotiate an amount of compensation for NCPA's provision of services to PCCE within the following range: \$362,000 to \$488,000.

The proposed compensation range stated herein was developed using the NCPA Power Management Cost Allocation Spreadsheet Model (commonly known and the "Nexant Model") as a reference. The cost of service developed using the Nexant Model is based on a set of modeling assumptions that were presented to and reviewed by both the Utility Directors and the Facilities Committee, including action requested by the Facilities Committee to allocate certain directly assigned costs in proportion to how such costs are allocated in the model.

In addition to compensation for services attributed to regular operations, NCPA staff also recommends that the Commission delegate authority to the General Manager of NCPA to incorporate an integration charge into NCPA's offer made to PCCE, that would be separately stated, and may or may not be included in the regular operations negotiating range stated above if such is deemed appropriate by the General Manager, based on estimated costs associated with integrating PCCE into NCPA's business processes.

NCPA's administrative costs for development of a Services Agreement with PCCE will be allocated to members in accordance with approved cost allocation methodologies as described the NCPA annual budget.

CLOSED SESSION (11:30 am – 12:00 pm)

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

- a) *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.
- b) PG&E TO19 Rate Case, *Pacific Gas & Electric Company*, Federal Energy Regulatory Commission, Docket No. ER17-2154-000.
- c) PG&E TO18 Rate Case, *Pacific Gas & Electric Company*, Federal Energy Regulatory Commission, Docket No. ER16-2320-000.

REPORT FROM CLOSED SESSION

NEW BUSINESS

ADJOURNMENT