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Agenda

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

*** 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. ***

NORTHERN CALIFORNIA POWER AGENCY
651 Commerce Drive
Roseville, CA

CITY OF PALO ALTO
City Hall
250 Hamilton Avenue
Palo Alto, CA

REDDING ELECTRIC
3611 Avtech Parkway
Redding, CA

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 26, 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 Month Ended October 31, 2017* – approval by all members.

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

12. *Sale or Disposal of Surplus* Property – note and file by all members the disposal of KD-11 and KD-10 distance relays, TD-52 timers, revenue meters, and welder.

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

13. Approval of Amendment to the 2017 Committee Meeting Calendar – approve by all members the Amended 2017 Committee Meeting Calendar adding December 14, 2017, as a regular scheduled meeting of the Commission.

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

14. Approval of Major Insurance Renewals for the Policy Year of 2018 – approve by all members the proposed major insurance renewals and authorize the General Manager or his designee to bind the coverage at amounts not-to-exceed \$2,708,719.

Fiscal Impact: This year Insurance renewals have been accomplished well below the Insurance Program budget. The total premium for the both NCPA and LEC property and liability policies and Worker's Compensation program is a not-to-exceed amount of \$2,708,719, about 29% below FY 2018 approved budget of \$3,496,000 for those programs. When the FY2018 budget was created, staff made an assumption the 2018 renewal rates would come in higher than 2017 mainly for two considerations: 1) insurance market had been soft for a while, staff anticipated at some point it would turn around; 2) the three pending claims imposed some uncertainty on premium change. However, due to NCPA and Aon's marketing effort and adding new underwriters into the bidding process, we were able to accomplish premium and rate reductions from the previous year.

Funds are available in Property insurance and Liability insurance accounts to fund this program. NCPA property insurance cost will be allocated to plants according to its insured value and further allocated to participants based on project entitlement share. NCPA liability insurance cost allocation will be based on budget allocation for Admin & General expenses. LEC insurance program cost allocation will be based on generation entitlement share.

15. Resolution 17-92, Sabah International Incorporated – Five Year Multi-Task General Services Agreement for fire system 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 Sabah International Incorporated for fire systems 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 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.

16. Resolution 17-93, Sunshine Metal Clad, Inc. – Five Year Multi-Task General Services Agreement for insulation 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 Sunshine Metal Clad, Inc. for insulation 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.

17. Resolution 17-96, Delegate Investment Duties to the Treasurer-Controller – adopt resolution by all members 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 for a one year period. The 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 delegates authority to the Treasurer-Controller for the investment activities of the Agency.

18. Resolution 17-97, FY 2017 Annual Billing Settlements – adopt resolution by all members approving the FY 2016-2017 Annual Billing Settlements.

Fiscal Impact: Upon approval by the Commission, the amount of \$8,206,372 will be distributed to participants. NCPA member refund amounts will be deposited into their respective General Operating Reserve accounts, and non-member participants will receive the refund payment in accordance with Agency payment terms unless otherwise directed in writing.

DISCUSSION / ACTION ITEMS (10:30 – 11:00 am)

19. Resolution 17-94, Provision of Services to East Bay Community Energy and Monterey Bay Community Power – adopt resolution by all members authorizing the General Manager of NCPA to: (i) engage in negotiations with East Bay Community Energy (EBCE) to develop a Services Agreement under which NCPA may supply certain wholesale power services to EBCE, (ii) delegate authority to the General Manager of NCPA to negotiate the cost of service to be charged to EBCE for NCPA's provision of Services within a defined range, (iii) authorizing the General Manager to engage in negotiations with Monterey Bay Community Power (MBCP) to develop a Services Agreement under which NCPA may supply certain wholesale power services to MBCP, and (vi) delegate authority to the General Manager of NCPA to negotiate the cost of service to be charged to MBCP for NCPA's provision of Services within a defined range.

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 EBCE within the following range: \$539,750 to \$730,250, and delegate authority to the General Manager of NCPA to negotiate an amount of compensation for NCPA's provision of services to MBCP within the following range: \$431,800 to \$584,200.

The proposed compensation range was developed using the NCPA Power Management Cost Allocation Spreadsheet Model (commonly known and the "Nexant Model") as a reference. The cost of services proposed for EBCE and MBCP were developed using the Nexant Model, and are based on a set of modeling assumptions that are representative of the services NCPA has proposed to supply to EBCE and MBCP.

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 EBCE and MBCP, 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 EBCE and MBCP into NCPA's business processes.

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

- 20. Resolution, 17-98, Approval of the Second Amendment to the Employment Agreement between NCPA and General Manager Randy S. Howard** – adopt resolution by all members approving the Second Amendment to the Employment Agreement with the General Manager. Additionally, the Executive Committee requests the Commission authorize the Chair of the Commission to execute the Second Amendment to the Employment Agreement with the General Manager and approve the General Manager’s Performance Goals for 2018.

Fiscal Impact: There is no fiscal impact to the Executive Services Salaries and Benefits account, and the cost associated the General Manager’s compensation change is covered within the current fiscal year budget.

CLOSED SESSION (11:00 – 11:15 am)

- 21. 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.
- 22. 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: General Manager.

NEW BUSINESS

ADJOURNMENT