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Agenda

Date: February 22, 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 am – 9:35 am)*
2. *Approve minutes of the January 18, 2018, Regular Commission Meeting (9:35 am – 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 am – 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 am – 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 January 31, 2018*** – approval by all members.
11. ***Treasurer's Report for the Month Ended January 31, 2018*** – accept by all members.
12. ***Sale or Disposal of Surplus Property*** – note and file by all members the disposal of 2 Solid State Inverters, Cummins Propane Generator, and an Alfa Laval Centrifuge Oil Separator.
Fiscal Impact: This report has no direct fiscal impact to the Agency.

13. ***December 31, 2017, Debt and Interest Rate Management Report*** – receive and file report by all members the December 31, 2017, 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, 2017 was \$5.6 million with actual results at \$9.6 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 \$4.0 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 \$16.995 million (net) making a potential refund not a feasible option at this time.

14. Resolution 18-10, Updates and Modifications to the Nexant Cost Allocation Model for FY2019 – adopt resolution by all members approving the modifications to the Nexant Model as proposed by staff in order to allocate budgeted costs to members for Fiscal Year 2019. **Fiscal Impact:** The recommended adjustments will result in a change to all 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 Fiscal Year 2018 budget related to items 1 and 2 as presented at the January 31, 2018 Facilities Committee meeting. Many of the Information Services software enhancements to the dispatch operations and associated scheduling and settlements applications 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.

Consent Items pulled for discussion: _____

DISCUSSION / ACTION ITEMS (10:25 am – 11:00 am)

15. Resolution 18-07, Approval of the Second Phase Agreement between NCPA and Member Participants for NCPA Solar Project 1 – adopt resolution by all members approving the Second Phase Agreement for the NCPA Solar Project 1; and authorizing the NCPA General Manager to execute the Second Phase Agreement for the Solar Project 1 on behalf of NCPA, including any non-substantive modifications approved by NCPA's General Counsel.

Fiscal Impact: Total cost of Phase 2 of the project will be dependent upon the number of Member Participants, planned capacity, and location. Some sites may not be deemed feasible and may not progress through the entirety of Phase 2. Hence for each potential site, the not-to-exceed cost per Member Participant is \$60,000 to perform the site selection and screening (See, Phases 2A/2B in the Second Phase Agreement). In addition, for sites deemed feasible, an additional not-to-exceed cost of \$320,000 per Member Participant would be incurred to complete due diligence, preparation (including compliance with CEQA and to gain site control), and PPA solicitation (See, Phases 2C/2D in the Second Phase Agreement).

Cost allocation will be based on site-specific costs and a division of general costs based on a site's capacity rating relative to the aggregate capacity of the project.

16. Resolution 18-08, Authorizing and Approving the Issuance of up to \$80 Million Hydroelectric Project Number One Revenue Bonds, 2018 Refunding Series A (tax-exempt) and \$4 Million Hydroelectric Project Number One Revenue Bonds, 2018 Taxable Refunding Series B – adopt resolution by all members authorizing and approving the issuance of up to \$80 million of fixed rate Hydroelectric Project Number One Revenue Bonds, 2018 Refunding Series A (tax-exempt) and up to \$4 million fixed rate Hydroelectric Project Number One Revenue Bonds, 2018 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 SB450, the following details of the refunding must be disclosed prior to authorization of the bonds. The numbers reflect rates as of January 31, 2018.

Estimated Amount of Proceeds:	\$79,243,180
Estimated True Interest Cost:	2.064%
Estimated Cost of Issuance:	\$425,259
Estimated Sum of Debt Service Payments:	\$85,193,345

Estimated NPV savings over the current debt service is approximately \$7.4 million or 9.64% of refunded bonds through final maturity in 2024. The estimated average annual debt service savings for a full bond year is over \$1.28 million.

17. Resolution 18-11, Approval of Amendment to the Joint Operating Agreement for the Southeast Geysers Effluent Pipeline (SEGEP) Project – adopt resolution by all members approving an Amendment to the Joint Operating Agreement for the Southeast Geysers Effluent Pipeline Project (SEGEP), requiring NCPA to provide the entire power supply for the Bear Canyon Pump Stations except in outage situations, and stating that Calpine will compensate NCPA for its relative share of such electricity costs at an agreed-upon index price.

Fiscal Impact: Approval of this Amendment to the SEGEP Joint Operating Agreement will result in approximately \$90,000 per year in revenue to NCPA.

CLOSED SESSION (11:00 am – 11:30 am)

18. 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.

NEW BUSINESS

ADJOURNMENT