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Amended Agenda

Date: March 22, 2018

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 HEALDSBURG
401 Grove Street
Healdsburg, CA

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

KRISTEN SCHREDER
905 Sierra Vista Drive
Redding, CA

CITY OF SANTA CLARA
881 Martin Avenue
Santa Clara, CA

CITY OF SHASTA LAKE
4332 Vallecito Street
Shasta Lake, CA

TRUCKEE DONNER PUD
11570 Donner Pass Road
Truckee, 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 February 22, 2018, 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 & Regulatory Affairs Committee
9. Members' Announcements & 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 February 28, 2018*** – approval by all members.
11. ***Treasurer's Report for the Month Ended February 28, 2018*** – accept by all members.
12. ***Resolution 18-13, Andritz Hydro – Five Year Field Services Agreement for engineering***

and field services associated with Collierville Hydroelectric Powerhouse; Applicable to the following projects: NCPA Hydroelectric Facilities – adopt resolution by all members authorizing the General Manager or his designee to enter into a multiple year Amended Terms and Conditions Agreement with Andritz Hydro for engineering and field services as needed at the NCPA Hydroelectric Facility, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$10,000,000 over five years for use at the hydroelectric facilities owned and/or operated by NCPA.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$10,000,000 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.

- 13. Resolution 18-14, Bay Cities Fire Protection, Inc. – Five Year Multi-Task General Services Agreement for maintenance, inspection, testing and other necessary services of fire sprinkler systems; 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 Bay Cities Fire Protection, Inc., for maintenance, inspection, testing and other necessary services on fire sprinkler systems, 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 (SCPAA), or by SCPAA Members.

Fiscal Impact: This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has in place other agreements with similar service providers including Northern Industrial Construction, and Fire Safety Supply Company. NCPA seeks bids from multiple qualified providers whenever services are needed. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

- 14. Resolution 18-15, Delegate to the General Manager authority to enter into one or more agreements and to issue purchase orders, with a total not-to-exceed amount of \$550,000 for maintaining and upgrading crane equipment prior to the generator rewind at Collierville Powerhouse on the NCPA Hydroelectric Project** – adopt resolution by all members authorizing Authorize the General Manager to enter into one or more agreements and to issue purchase orders, with a total not-to-exceed amount of \$550,000, for maintaining and upgrading the gantry crane at Collierville powerhouse in advance of the stator winding replacement

Fiscal Impact: Based on preliminary budget quotes, the total cost of needed maintenance and upgrades is anticipated to be approximately \$500,000. A contingency of 10% is recommended, resulting in a total project authorization of up to \$550,000.

- 15. Resolution 18-16 Dow Chemical Company – Five Year Sales Contract for Iron Chelate; Applicable to the following projects: Geysers Geothermal Facility** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Sales Contract with Dow Chemical Company for Iron Chelate, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for use at the Geysers Geothermal Facility – adopt resolution by all members authorizing the General Manager or his designee to enter into a Sales Contract with Dow Chemical Company for Iron Chelate, with any non-substantial

changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for use at the Geysers Geothermal Facility.

Fiscal Impact: Staff has contacted a number of different chemical suppliers, Calpine Geysers, and refineries that use the Stretford process for H₂S abatement, to find other chemical providers to supply the needed Iron Chelate for the Stretford process. Dow Chemical is the only company providing this chemical on the west coast. As a result, staff recommends approval of a sole source purchase agreement with Dow Chemical Company for Iron Chelate, which is required for use at Plants 1 and 2 of the Geysers Geothermal Facility. NCPA will issue purchase orders based on cost and availability of the product needed at the time the product is required.

- 16. Resolution 18-17, HRST, Inc. – Five Year Multi-Task General Services Agreement for inspection 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 HRST, Inc. for inspection 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 18-19, Industrial Air Flow Dynamics, Inc. – First Amendment to General Services Agreement for roof seal replacement services; Applicable to the following projects: Lodi Energy Center** – adopt resolution by all members authorizing the General Manager or his designee to enter into a First Amendment to General Services Agreement with Industrial Air Flow Dynamics, Inc. for roof seal replacement services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$300,000 for use at the Lodi Energy Center facility.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$300,000 to be used out of the NCPA Lodi Energy Center approved budget. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

- 18. Resolution 18-20, Nor-Cal Battery Company – Five Year Multi-Task General Services Agreement for battery 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 Nor-Cal Battery Company for battery maintenance services, 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 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 \$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.

- 19. Resolution 18-21, Public Works Agreement for the Geothermal Plant 2 Sulfur Platform Project; Applicable to the following project: Geothermal Plant 2** – adopt resolution by all

members increasing the not to exceed amount for the Sulfur Platform Public Works Project at NCPA Geothermal Plant #2 from \$731,944 to \$803,910, to cover the increase in material and labor costs, and delegating authority to the General Manager to issue purchase orders and change orders for the updated not to exceed amount.

Fiscal Impact: Total cost of the project is \$730,910.18, as specified in the contractor's revised pricing. Contingency funds of \$72,999.82 (approximately 10%) are further requested to cover possible change orders, for a revised total project cost not to exceed \$803,910. Purchase orders referencing the terms and conditions of the agreement will be issued consistent with NCPA procurement policies and procedures.

20. Resolution 18-22, T.A. Krause, Inc. dba T.A. Krause Construction and Custom Painting – Five Year Multi-Task General Services Agreement for preventive roofing and siding maintenance; 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 T.A. Krause, Inc. dba T.A. Krause Construction and Custom Painting for preventive roofing and siding maintenance, including application of sealant, primer, and coating, 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: This enabling agreement does not commit NCPA to any expenditure of funds. NCPA currently has in place other agreements with similar service providers, including Hug's Painting, Inc. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from multiple qualified providers whenever services are needed. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

Consent Items pulled for discussion: _____

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

21. Resolution 18-18, Insurance Reimbursements for Adit 4 Spoils Facility Repair and Beaver Creek Cleanout Projects – adopt resolution by all members authorizing the General Manager to execute Proof of Loss forms for \$1,770,036 (gross) for the Beaver Creek Reservoir Storm Damage Claim and \$2,600,000 (gross) for the Adit 4 Landslide Claim to settle and close both claims at the NCPA Hydroelectric Project.

Fiscal Impact:

Adit 4:

In 2016, the Insurer originally determined that the Adit 4 Spoils Facility was not a named facility under the insurance policy. However, after staff met with the underwriters and presented a case for coverage, the underwriters reversed their position and determined that the Adit 4 Spoils Facility was a covered asset within the Collierville Power Tunnel Complex. Initial proposed reimbursement values were significantly less than those eventually reached and presented herein. Staff subsequently submitted a targeted supplemental engineering

analysis, which supported the case for greater reimbursement, resulting in a final uplift in the reimbursement.

On February 28, 2018, NCPA staff and the Hydroelectric Project Insurance Underwriters (Insurer) reached a negotiated tentative reimbursement settlement of \$2.6M of the total Commission authorized cost of \$3.25M. The total net reimbursement, minus the \$500,000 deductible, is \$2.1M. The policy exclusions applied were:

- Maintenance and betterment related work
- Salaried NCPA staff time

Staff believes that the proposed reimbursement is reasonable based upon maintenance/betterment policy exclusions in conjunction both with extensive interaction with Insurer, since early 2016, and their multiple/extensive increases in proposed reimbursements

Staff recommends the settlement for the following reasons:

- The amount is reasonable based upon already anticipated maintenance and betterment exclusions
- This is the most that could reasonably be expected based upon the extensive increases in proposed reimbursement by the Insurer
- Further negotiations could potentially have negative impacts
- Further negotiations will extend the reimbursement timelines

Beaver Creek:

From January 2017-February 2017, flooding filled Beaver Creek Reservoir with over 11,000 cubic yards of sediment and debris that forced the Beaver Creek Diversion off-line until removal could be accomplished. NCPA was able to piggyback the baseline emergency project and remove an additional 5,000 cubic yards of pre-2017 storm deposits. Adding this work to the Project minimized the extraction cost by amending the emergency dredging permits and leveraging the already mobilized contractor. The total Project costs came in at \$2,200,641. On February 28, 2018, NCPA staff and the Insurers reached a negotiated tentative reimbursement settlement amount of \$1,770,036. The total net reimbursement, minus the \$500,000 deductible, is \$1,270,036. The policy exclusions applied were:

- Debris removal for debris deposited prior to the 2017 storm
- Salaried NCPA staff time

Staff believes that the proposed reimbursement is straightforward and reasonable.

Staff anticipates that a significant portion of the \$500,000 deductible will be reimbursed by Federal Emergency Management Agency (FEMA) and California Office of Emergency.

22. Resolution 18-23, Approve Provision of Services to San Jose Clean Energy – adopt resolution by all members approving approve the Services Agreement with San Jose Clean Energy, under which NCPA will supply certain scheduling and portfolio management services to San Jose Clean Energy, including any non-substantive modifications to the Services Agreement approved by NCPA’s General Counsel. NCPA staff also recommends that the Commission authorize NCPA’s General Manager, or the General Manager’s designee, to execute the Services Agreement on behalf of NCPA.

Fiscal Impact: In consideration for NCPA’s provision of services, for the first one (1) year period in which NCPA is supplying services to SJCE, SJCE shall pay NCPA an amount equal to Twenty Five Thousand Dollars (\$25,000) per month during the period of September 1, 2018 through the date on which SJCE implements Phase 2 of its program,

and Fifty Two Thousand Five Hundred Dollars (\$52,500) per month for the period beginning on the date SJCE implements Phase 2 of its program through August 31, 2019. For each subsequent one (1) year period of the term of this Agreement, SJCE shall pay NCPA an amount equal to the sum of the annual amount charged to SJCE during the prior year escalated at a rate of two percent (2%) per year; provided, however, for the one (1) year period immediately following the first one (1) year period, the amount of compensation used to perform the calculation described herein shall be \$630,000.00. Such annual amounts shall be billed to SJCE in twelve (12) equal monthly installments.

In addition to the primary scope of services NCPA shall supply to SJCE, NCPA may also provide certain Supplemental Services to SJCE, as described in the Services Agreement. In consideration for all Supplemental Services, SJCE shall compensate NCPA on a time and materials basis, in accordance with the applicable supplemental services wage schedule contained in the Services Agreement.

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

- 23. *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. (*Discussion Only*)

CLOSED SESSION (11:00 – 11:15 am)

- 24. *Conference with Legal Counsel*** discussion with asset purchase negotiators pursuant to Government Code Section 54956.8: the potential participation with other joint action agencies in the 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.

INFORMATION ITEMS (11:15 – 11:30 am)

- 25. *Hydrology Report*** – update and presentation.

- 26. *Lodi CT1 Area Future Development Report*** – update and presentation.

NEW BUSINESS

ADJOURNMENT