



651 Commerce Drive
Roseville, CA 95678

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

Minutes - DRAFT

Date: September 25, 2020
To: NCPA Commission
From: Cary A. Padgett, Assistant Secretary to the Commission
Subject: NCPA Commission Meeting / Teleconference Minutes

1. Call Meeting to Order and Introductions

Chair Roger Frith called the meeting to order at 9:33 am via teleconference. Introductions and roll call were made. Those in attendance are shown on the attached attendance list.

2. Approve Minutes of the August 27, 2020, Regular Commission Meeting

Motion: A motion was made by Mark Chandler, and seconded by Teresa O'Neill to approve the Minutes of the August 27, 2020, Regular Commission Meeting. The motion carried by a majority on a roll call vote of those members present. *San Francisco BART, Plumas-Sierra, Shasta Lake, and Truckee Donner were absent.*

PUBLIC FORUM

No comments from the public addressed the Commission.

Mike Brozo, Plumas-Sierra, joined the meeting at 9:40 am.
James Takehara, Shasta Lake, joined the meeting at 9:44 am.

REPORTS AND COMMITTEE UPDATES

3. General Manager's Business Progress Report and Update

General Manager Randy Howard reported:

- Provided an update on COVID-19 cases in Placer County. Continue to follow the required Agency procedures with regards to COVID-19. Plan to lift the hiring freeze as the County was removed from the state monitoring list and cases in the County are declining. New hires will be required to take a COVID test prior to employment. Extending employee telecommuting options through the end of October.

- Employees at the Geothermal plant were impacted by air quality due to the smoke from the nearby fire, but no employees were evaluated.
- Will continue to see potential power shortages with temperatures continuing to be high. Diablo Canyon down for six weeks, and Palo Verde one unit is down for refueling.
- Formally cancelled the Strategic Issues Conference that was scheduled for January 2021.
- Formally cancelled the Federal Policy Conference that was scheduled for April 2021. Plan to reschedule for the fall of 2021, but a modified format.
- Rescheduled the 2020 Annual Conference to September 2022 at the Resort at Squaw Creek with no cancellation penalties.
- Have a call scheduled with Placer County Water Agency to discuss watershed damages. Will need to take a look at NCPA's project watershed damages as well.
- Upcoming Hometown Connection, Inc. (HCI), Board's Strategic Plan meeting is scheduled for next month. The Board will look at HCI's overall programs and activities and reevaluate their finances.
- EIM with the California Independent System Operator is reviewing the GRC proposal and how it will continue to expand.
- Provided an update on the CEC RPS ruling.

4. *Executive Committee*

Committee Chair Frith reported the Executive Committee met once, via teleconference, since the last Commission meeting. The Committee heard an update from the General Manager, and discussed the annual performance evaluation procedures and guidelines for the General Manager and General Counsel positions.

5. *Facilities Committee*

Assistant General Manager Tony Zimmer reported the Committee met twice, via teleconference, since the last Commission meeting. The Committee discussed Consent item 15 and Action item 16 on today's agenda, and met under a special meeting agenda to discuss NCPA's proposed Strategic Plan. A quorum of the Committee was established, and recommend Commission approval of all items.

6. *Finance Committee*

Finance Committee Chair Greg Scharff reported the Committee met once, via teleconference, since the last Commission meeting. The Committee held a special meeting on September 2nd to discuss updating the Agency's Strategic Plan with new goals focused on controlling costs, minimizing risks and maintaining NCPA's financial strength. The Committee provided staff with input and suggestions when creating the goals designed to support and execute the Plan's initiatives. The next Finance Committee meeting will be held on October 13th.

7. *Legal Committee*

General Counsel Jane Luckhardt reported the Committee met once, via teleconference, since the last Commission meeting. The Committee met in Closed Session and discussed item 20 on today's agenda. No reportable action taken on that item. The next meeting is scheduled for October 1st.

8. Legislative & Regulatory Affairs Committee

The Legislative & Regulatory Affairs Committee Chair Mark Chandler reported the Committee met once since the last Commission meeting to review and discuss NCPA's proposed Strategic Plan.

Members continue to participate in the Agency's ongoing virtual Speakers Series sessions. The Committee heard presentations from California State Senator Mike McGuire, and CARB Chair Mary Nichols. Additional Speakers Series sessions coming up in the next month will include one with CPUC Commissioner Cliff Rechtschaffen. NCPA will be hosting a Speakers Forum on October 6th from 10:00 am-12:30 pm with presentations by political pollster Frank Luntz, and financial expert Daniel Hartman in honor of Public Power Week. If you want to participate, please register in advance to access the Zoom Webinar link. Notices to register have been sent via email. The next Committee meeting is scheduled on December 2nd.

9. Members' Announcements & Meeting Reporting

Pauline Roccucci, **Roseville**, announced Michelle Bertolino was appointed the first Vice President of the Northwest Public Power Association Board of Trustees. The City of Roseville was named one of the best places to live in the United States, ranking at 45th place overall.

Michelle Bertolino, **Roseville**, recognized Krista Bernasconi, Roseville Vice-Mayor, as the new Alternate Commissioner, and will be Mayor next year.

Roger Frith, **Biggs**, thanked John Allard, outgoing Mayor of Roseville, for his time on the Executive Committee and Commission.

CONSENT CALENDAR

Prior to the roll call vote to approve the Consent Calendar, the Commissioners were polled to determine if any member wished to pull an item or abstain from one or more items on the Consent Calendar.

Items 13 and 14 we pulled from Consent and discussed under Discussion / Action.

Motion: A motion was made by Jerry Serventi, and seconded by Teresa O'Neill, to approve the Consent Calendar consisting of Items 10, 11, 12, and 15. The motion carried by a majority of those members present on a roll call vote with abstentions noted below for each item.
San Francisco BART and Truckee Donner were absent.

10. NCPA's Financials for the Month Ended August 31, 2020 – approval by all members.

11. Treasurer's Report for the Month Ended August 31, 2020 – accept by all members.

12. Disposal of Northern California Power Agency Surplus Property – note and file by all members for the disposal of the following: Forklift from Geothermal Plant and E-waste and obsolete printers from Hydroelectric Plant.

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

13. ***MOVED TO DISCUSSION ACTION - Resolution 20-50, Approval of Amendment 5 to Contract 96-SNR-00110 (O&M Funding Agreement)*** – adopt resolution by all members approving Amendment 5 to Contract 96-SNR-00110, and authorize the General Manager of NCPA to execute Amendment 5 to Contract 96-SNR-00110, on behalf of NCPA, including any non-substantive
14. modifications to Amendment 5 to Contract 96-SNR-00110 approved by NCPA's General Counsel.
Fiscal Impact: NCPA's administrative costs for processing Amendment 5 to Contract 96-SNR-00110 will be allocated to Members in accordance with approved cost allocation methodologies as described in the NCPA annual budget.
15. ***MOVED TO DISCUSSION ACTION - Resolution 20-63, Approval of Second Amendment to the Funding Agreement with California Municipal Utilities Association, South California Public Power Authority for Energy Efficiency Services*** – adopt resolution by all members authorizing the Northern California Power Agency (NCPA) General Manager or his designee to execute a Second Amendment to the existing Funding Agreement with the California Municipal Utilities Association (CMUA) and Southern California Public Power Authority (SCPPA) to increase the total not-to-exceed amount by \$185,500, of which NCPA will be responsible for payment of \$31,058.78.
Fiscal Impact: No fiscal impact to NCPA. The expense for each additional upgrade will be shared only by those POUs that agreed to fund the specific upgrade, and then divided between participants based on the same "50/50" split that was used in the original cost allocation under Resolution 18-57, with 50% of program costs divided equally among participating POUs and the remaining 50% of costs split among each POUs based on their respective percentage of cumulative load from calendar year 2016.
16. ***Resolution 20-64, Northwest Industrial Engine and Compressor Company – Five Year Multi-Task General Services Agreement for Inspection and Maintenance Related Services; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (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 Northwest Industrial Engine and Compressor Company for inspection and maintenance related 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, NCPA Members, by SCPPA, or by SCPPA Members.
Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$500,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

DISCUSSION / ACTION ITEMS

Item 13 – ***Resolution 20-50, Approval of Amendment 5 to Contract 96-SNR-00110 (O&M Funding Agreement)*** – adopt resolution by all members approving Amendment 5 to Contract 96-SNR-00110, and authorize the General Manager of NCPA to execute Amendment 5 to Contract 96-SNR-00110, on behalf of NCPA, including any non-substantive modifications to Amendment 5 to Contract 96-SNR-00110 approved by NCPA's General Counsel.
Fiscal Impact: NCPA's administrative costs for processing Amendment 5 to Contract 96-SNR-00110 will be allocated to Members in accordance with approved cost allocation methodologies as described in the NCPA annual budget.

At the request of Commission Greg Scharff, this item was move off Consent to Discussion / Action for further explanation. Assistant General Manager Tony Zimmer provided an overview and background of the Western Area Power Administration's Amendment 5 to Contract 96-SNR-00110.

Motion: A motion was made by Greg Scharff, and seconded by Jerry Serventi to adopt resolution approving Amendment 5 to Contract 96-SNR-00110, and authorize the General Manager of NCPA to execute Amendment 5 to Contract 96-SNR-00110, on behalf of NCPA, including any non-substantive modifications to Amendment 5 to Contract 96-SNR-00110 approved by NCPA's General Counsel. Motion carried by a majority on a roll call vote of those members present.

San Francisco BART and Truckee Donner were absent.

Redding, Roseville, Santa Clara, and Shasta Lake abstained.

Item 14 – Resolution 20-63, Approval of Second Amendment to the Funding Agreement with California Municipal Utilities Association, South California Public Power Authority for Energy Efficiency Services – adopt resolution by all members authorizing the Northern California Power Agency (NCPA) General Manager or his designee to execute a Second Amendment to the existing Funding Agreement with the California Municipal Utilities Association (CMUA) and Southern California Public Power Authority (SCPPA) to increase the total not-to-exceed amount by \$185,500, of which NCPA will be responsible for payment of \$31,058.78.

Fiscal Impact: No fiscal impact to NCPA. The expense for each additional upgrade will be shared only by those POUs that agreed to fund the specific upgrade, and then divided between participants based on the same "50/50" split that was used in the original cost allocation under Resolution 18-57, with 50% of program costs divided equally among participating POUs and the remaining 50% of costs split among each POUs based on their respective percentage of cumulative load from calendar year 2016.

At the request of Commission Greg Scharff, this item was move off Consent to Discussion / Action for further explanation. Assistant General Manager Jane Cirrincione gave a brief background on the Funding Agreement.

Motion: A motion was made by Mark Chandler, and seconded by Pauline Roccucci to adopt resolution authorizing the Northern California Power Agency (NCPA) General Manager or his designee to execute a Second Amendment to the existing Funding Agreement with the California Municipal Utilities Association (CMUA) and Southern California Public Power Authority (SCPPA) to increase the total not-to-exceed amount by \$185,500, of which NCPA will be responsible for payment of \$31,058.78.

Motion carried by a majority on a roll call vote of those members present.

San Francisco BART and Truckee Donner were absent.

16. Resolution 20-65, Approval of Services Agreement with Sonoma Clean Power Authority – adopt resolution by all members approving the Services Agreement between NCPA and Sonoma Clean Power Authority (SCP), pursuant to which NCPA will supply scheduling coordinator services to SCP, including any non-substantive modifications to the Services Agreement as may be approved by NCPA's General Counsel. Staff also recommends that the Commission authorize NCPA's General Manager to execute the Services Agreement on behalf of NCPA.

Fiscal Impact: In consideration for the services received from NCPA, SCP will pay Two Hundred Five Thousand Dollars (\$205,000.00) for each annual period during the term of the Services Agreement. Costs and revenues associated with the development and administration of the Services Agreement will be allocated to Members in accordance with approved cost allocation methodologies as described in the NCPA annual budget.

Assistant General Manager Tony Zimmer gave a presentation on the Services Agreement between NCPA and SCP. The Commission discussed and asked questions regarding future staffing needs, as well as the need for possible hardware upgrades to the system in the future. Staff indicated that NCPA's system is capability of adding SCP as much of the system is automated, and staff is not anticipating adding additional staff at this time. General Manager Randy Howard acknowledge that NCPA's Disaster Recovery Center does have some limitations, and staff is in the process of finding a new location.

Motion: A motion was made by Teresa O'Neill, and seconded by Mark Chandler to adopt resolution approving the Services Agreement between NCPA and Sonoma Clean Power Authority (SCP), pursuant to which NCPA will supply scheduling coordinator services to SCP, including any non-substantive modifications to the Services Agreement as may be approved by NCPA's General Counsel. Staff also recommends that the Commission authorize NCPA's General Manager to execute the Services Agreement on behalf of NCPA. Motion carried by a majority on a roll call vote of those members present. *San Francisco BART, Gridley, Plumas-Sierra, and Truckee Donner were absent.*

INFORMATIONAL ITEMS

17. Status of Geothermal Facility Kincade Fire Insurance Claim – staff will provide an update on the Geothermal Facility insurance claim regarding the Kincade Fire loss.

Assistant General Manager / CFO Monty Hanks provided an update on the Geothermal Facility Kincade Fire insurance claim. The Kincade Fire started October 23, 2019. The NCPA Geothermal Plant 1 was tripped offline initiated by the #9 230 kV line protection relay. NCPA shut down both units for safety compliance. PG&E de-energized the #12 transmission line, completely disconnecting the units. Staff worked with CAISO and PG&E on a temporary solution to restore interconnection, including installation of a shoe-fly jumper. The plant was back online January 22, 2020.

NCPA staff notified insurance underwriters and filed a claim. After several meetings with Aon, and the underwriters, the underwriters' adjuster denied the claim due to the following reasons: 1) Business Interruption (BI) loss has to be substantiated by the covered property damage; 2) The fire was triggered by a PG&E transmission line 6 miles away from the NCPA plants; and 3) NCPA property insurance policy only covers 1000 feet of transmission line within the physical plant. If the fire had burned around the NCPA #9 transmission line and was covered, the property damage was well below the \$500,000 deductible, the time needed to repair and restore generation is well below the 60 day waiting period for BI loss coverage resulting in a zero claimable amount, and the 90 day BI was caused by the PG&E transmission line repair and maintenance. Calpine also submitted a Kincade Fire claim as well, but later withdrew the claim due to the same reason.

18. NCPA Draft FY 2021-26 Strategic Plan – staff will provide an update on the draft NCPA FY 2021-26 Strategic Plan.

General Manager Randy Howard walked through a presentation of the proposed FY 2021-26 Strategic Plan (Plan). The proposed Plan is being vetting through each Committee, as well as the Utility Directors. The objectives and outcomes of the meetings are to identify current and future needs of the Agency and Members, and how the Plan helps Members and the Agency prioritize staffing and resources to support the goals. The Commission discussed and recommended adding resilience and reliable to bullet No. 2 of the Mission Statement, and to expand the Vision Statement to include citizen-owned members and customers at the end of the statement.

Non-essential Members and NCPA staff left the meeting for closed session discussion. The Commissioners and essential staff called into closed session using a separate call-in line.

CLOSED SESSION

- 19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** – Initiation of litigation pursuant to Government Code Section 54956.9(d)(4) - one (1) case.
- 20. 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.
- 21. CONFERENCE WITH LEGAL COUNSEL** – Existing litigation pursuant to Government Code Section 54956.9(d)(1): Name of case: *In Re PG&E Corporation and Pacific Gas and Electric Company, Debtors; United States Bankruptcy Court, Northern District of California*, Case Nos. 19-30088 (Lead Case) and 19-30089 DM.

RECONVENED TO OPEN SESSION

All meeting attendees rejoined the public meeting.

REPORT FROM CLOSED SESSION

Closed Session Disclosure: General Counsel Jane Luckhardt stated there was no reportable action taken in Closed Session.

NEW BUSINESS

Chairman Frith made notice that this is his last meeting as Chair and Vice Chair Teresa O'Neill will take the Chair seat at the next meeting of the Commission. James "Bo" Sheppard will be Biggs' new Commissioner at the end of the year.

Randy Howard thanked Chair Frith for his years of service as a Commissioner and as Chair of the Commission and Executive Committee.

ADJOURNMENT

The September 25, 2020, Commission meeting was adjourned at 11:34 am by outgoing Chairman Roger Frith.

Respectfully submitted,

ROGER FRITH
Commission Chair

Attachments

Prepared by,

CARY A. PADGETT
Assistant Secretary to the Commission

**Northern California Power Agency
Commission Meeting / Teleconference
September 25, 2020
COMMISSIONER
Attendance List**

NCPA Commissioners are requested to sign, but signature by members of the public is voluntary.

MEMBER	NAME
1 - ALAMEDA	Jerry Serventi
2 - BIGGS	Chair Roger Frith
3 - GRIDLEY	Paul Eckhert
4 - HEALDSBURG	David Hagele
5 - LODI	Mark Chandler
6 - LOMPOC	Jenelle Osborne
7 - PALO ALTO	Greg Scharff
8 - PORT OF OAKLAND	Jared Carpenter
9 - PLUMAS-SIERRA REC	Mike Brozo
10 - REDDING	Kristen Schreder
11 - ROSEVILLE	Pauline Roccucci
12 - SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	
13 - SANTA CLARA	Teresa O'Neill
14 - SHASTA LAKE	James Takehara
15 - TRUCKEE DONNER	
16 - UKIAH	Mel Grandi

**Northern California Power Agency
Commission Meeting / Teleconference
September 25, 2020
Attendance List**

NCPA Commissioners, Alternates & Staff are requested to sign, but signature by members of the public is voluntary.

NAME	AFFILIATION
Nico Procos	Alameda
Bo Sheppard	Biggs
Terry Crowley	Healdsburg
Jeff Berkheimer	Lodi
George Morrow	Lompoc
Khaly Nguyen	Port of Oakland
Kirsta Bernasconi	Roseville
Michelle Bertolino	Roseville
Basil Wong	Santa Clara
Randy Howard	NCPA
Jane Luckhardt	NCPA
Jane Cirrincione	NCPA
Monty Hanks	NCPA
Joel Ledesma	NCPA
Tony Zimmer	NCPA
Cary Padgett	NCPA
Mike Whitney	NCPA



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Commission Staff Report

AGENDA ITEM NO.: 5

Date: October 29, 2020
To: NCPA Commission
Subject: October 7, 2020 Facilities Committee Meeting Minutes

The attached Draft Minutes are being provided for information and to augment the oral Committee report.



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Roseville, CA 95678

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

Minutes - Draft

Date: October 20, 2020
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: October 7, 2020 Facilities Committee Meeting Minutes

- 1. Call Meeting to Order & Roll Call** – The meeting was called to order by Committee Chair Brian Schinstock (Roseville) at 9:04 am. Attending via teleconference and/or on-line presentation were Alan Harbottle (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Jiayo Chiang (Lodi), Shiva Swaminathan (Palo Alto), Mike Brozo (Plumas-Sierra), Nick Rossow (Redding), and Basil Wong and Steve Hance (Santa Clara). Owen Goldstrom (non-voting Member with TID) also attended via teleconference. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Lompoc, Port of Oakland, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

OPEN SESSION

DISCUSSION / ACTION ITEMS

- 2. Approve Minutes from the September 2, 2020 Facilities Committee and Special Facilities Committee Meetings.**

Motion: A motion was made by Basil Wong and seconded by Jiayo Chiang recommending approval of the September 2, 2020 Facilities Committee and Special Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 3. All NCPA Facilities, Members, SCPPA – Evoqua Water Technologies, LLC MTGSA** – Staff presented back ground information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Evoqua Water Technologies, LLC, for water services including condensate polisher/DI mix bed vessel services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future projects. Execution of this enabling agreement will also increase the pool of qualified and proven vendors for these types of services. NCPA does not currently have any agreements in place with similar vendors. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Mike Brozo and seconded by Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Evoqua Water Technologies, LLC for water treatment related 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, NCPA Members, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

4. **All NCPA Facilities (Except LEC), Members, SCPPA – Sulzer Turbo Services Houston, Inc. MTGSA** – Staff presented back ground information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Sulzer Turbo Services Houston, Inc., for inspection and maintenance services, with a not to exceed amount of \$3,000,000, for use at all facilities owned and/or operated by NCPA (except LEC), NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future projects. Execution of this enabling agreement will also increase the pool of qualified and proven vendors for these types of services. NCPA has a pending agreement for similar services with Allied Power Group. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Basil Wong and seconded by Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Sulzer Turbo Services Houston, Inc. for inspection and maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at all facilities owned and/or operated by NCPA (except LEC), NCPA Members, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

5. **NCPA CT Facilities – Pure Process Filtration, Inc. MTEMS** – Staff presented back ground information and was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Pure Process Filtration, Inc., for filters and filter storage, with a not to exceed amount of \$1,000,000, for use at NCPA CT's facilities only. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. Storage is limited at the CT facilities and the vendor has space to store at their location. NCPA desires to enter into this agreement so established terms and conditions are in place for future purchases and storage of goods. There are no additional agreements in place for similar purchases and/or storage services. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Jiayo Chiang and seconded by Basil Wong recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Pure Process Filtration, Inc. for filter purchases and storage of goods, 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 the NCPA CT facilities. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 6. NCPA CT Facilities – First Amendment to Second Amended and Restated Ground Lease with the City of Lodi** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the Second Amended and Restated Ground Lease with the City of Lodi, adding additional Annex area to lease, increasing the total annual lease payments to \$1,040,620, with no change to the agreement term, for use at NCPA's CT Facilities.

The original Ground Lease was dated February 17, 1993 and effective January 1, 1993. An Amended and Restated Ground Lease was entered into on March 22, 2010. On April 29, 2013 the parties entered into a Second Amended and Restated Ground Lease.

LEC has been operating with a shared facilities warehouse between CT1, CT2 and LEC. Space has been tight for both parts storage and lay down space. As experienced during the LEC forced outage, when significant work is performed, there is not enough space onsite for laydown and, as a result, parts were stored outside the fence. In addition, LEC is preparing for the major on the steam turbine and generators, and in doing so, there will be a significant addition to the parts on hand. LEC has found that Sea Vans are effective and inexpensive for storage. In order to obtain extra space, NCPA negotiated with the City of Lodi to annex 2.3 acres of additional space and amend the existing lease agreement.

In order to use the land, NCPA will need to make some minor improvements. It will be leveled with a new base material installed for a firm surface that will be usable in the rainy season. It will also include fencing to secure the area. In addition, lights and security will be incorporated. The land improvements will cost \$300,000. Because of the change of scope of work in the LEC major, funds are available in the Maintenance Reserve to pay for these costs. A draft Commission Staff Report and draft amendment were available for review. It is recommended to place this item on the consent calendar.

Motion: A motion was made by Basil Wong and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Second Amended and Restated Ground Lease with the City of Lodi, with any non-substantial changes recommended and approved by the NCPA General Counsel, for the Annex land and delegate authority for the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the parts in accordance with

NCPA Purchasing Policies and Procedures without further approval by the Commission to make improvements on the Annex, for a total cost not to exceed \$300,000, and approval for these funds to come from the LEC Maintenance Reserve fund. Facilities Committee approves this item as either one or two actions at the Commission meeting. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Plumas-Sierra, and Santa Clara. ABSTAIN = Lodi, Palo Alto, Redding, and Roseville. The motion passed.

- 7. All NCPA Facilities, Members, SCPPA – Ancon Marine dba Ancon MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Ancon Marine dba Ancon, for specialized high pressure cleaning services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with a new vendor. It is an enabling agreement with no commitment of funds. NCPA has enabling agreements in place for similar services with Gifford's Backhoe Services and Northern Industrial Construction. Specialized high pressure cleaning, vacuum trucks, safety and fire watch services, are required from time to time for the operation and maintenance of NCPA facilities and those of our Members and SCPPA. Geothermal staff was contacted by Ancon Marine dba Ancon, who expressed a desire to be added to NCPA's vendor list for services, because they routinely work in the Geysers area. After having met with this vendor, staff recommends that NCPA enter into an enabling agreement with Ancon Marine dba Ancon, so established terms and conditions are in place should this vendor be the successful bidder on future projects. Also, increasing the pool of qualified vendors willing to work in the more remote location of NCPA's Geothermal Facilities, results in more competitive bidding when services are needed. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Brian Schinstock and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Ancon Marine dba Ancon for specialized high pressure cleaning, vacuum trucks, safety and fire watch services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 8. All NCPA Facilities, Members, SCPPA – Rege Construction, Inc. MTGSA –** Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Rege Construction, Inc., for maintenance services including grading, excavation, and paving, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with a new vendor. It is an enabling agreement with no commitment of funds. NCPA has enabling agreements in place for similar services with Epidendio Construction, Inc., Gifford's Backhoe Services, Northern Industrial Construction, and Granite Construction Company (pending). Geothermal staff was contacted by Rege Construction, who expressed a desire to be added to NCPA's vendor list for services,

because they routinely work in the Geysers area. After having met with this vendor, staff recommends that NCPA enter into an enabling agreement with Rege Construction, so established terms and conditions are in place should this vendor be the successful bidder on future projects. Also, increasing the pool of qualified vendors willing to work in the more remote location of NCPA's Geothermal Facilities results in more competitive bidding when services are needed. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Brian Schinstock and seconded by Basil Wong recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Rege Construction for general maintenance services, including grading, excavation, and paving, 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, NCPA Members, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 9. All NCPA Facilities, Members, SCPPA – Brian Davis dba Northern Industrial Construction MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Brian Davis dba Northern Industrial Construction, for miscellaneous maintenance services including welding and safety/fire watch services, with a not to exceed amount of \$2,500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with an existing vendor. It is an enabling agreement with no commitment of funds. Staff has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future projects. NCPA has agreements in place for similar services with Gifford's Backhoe Services, Inc., Epidendio Construction, Inc., and pending agreements with Ancon Marine dba Ancon, and Rege Construction. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Basil Wong and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Five Year Multi-Task General Services Agreement with Brian Davis dba Northern Industrial Construction, for general maintenance services, including welding, safety, and fire watch services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 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. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 10. All NCPA Facilities, Members, SCPPA – MP Environmental Service, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with MP Environmental Service, Inc., for removal and replacement of sulfur bins, phase separators, and vacuum truck services, with a not to exceed amount of \$3,000,000, for use at all facilities owned

and/or operated by NCPA, NCPA Members, SPCPA, and SPCPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with an existing vendor. It is an enabling agreement with no commitment of funds. This vendor will provide maintenance services including but not limited to removal and disposal of sulfur bins, hazardous material, phase separators, and vacuum truck services. Since this vendor provides removal of hazardous materials, it is also recommended that this agreement be for use at NCPA facilities only. NCPA will be requesting competitive bids specifically for the sulfur bin hauling and disposal services required for the Geothermal Facilities. MP Environmental Services, Inc. will be one of the prospective bidders. Staff has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into a multi-task enabling agreement with MP Environmental Services, Inc., so established terms and conditions are in place should this vendor be the successful bidder on future projects. Execution of this enabling agreement will also increase the pool of qualified and proven vendors for these types of services. NCPA currently has agreements in place for similar services with Patriot Environmental Services, Gifford's Backhoe Services, Fremouw Environmental Services, Inc., and a pending agreement with Ancon Marine dba Ancon. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Basil Wong and seconded by Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with MP Environmental Services, Inc., for general maintenance services, including removal and disposal of sulfur bins, hazardous material, phase separators, and vacuum truck services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at all facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 11. NCPA Geothermal Facility – NOAA Middletown License Agreement** – Staff presented background information and was seeking a recommendation for Commission approval of a License Agreement with the National Oceanic and Atmospheric Administration allowing them to operate and maintain an observing platform consisting of an S-band radar system and meteorological tower on GEO J-Site, for a duration of 10 years, with no cost to NCPA, at NCPA's Geothermal Facility.

NCPA entered into a License Agreement with the National Oceanic and Atmospheric Administration (NOAA) on December 8, 2014. This License Agreement allowed NOAA to place a weather monitoring station on the J-Site well pad of the NCPA Geothermal Facilities. Aside from providing a 20 amp 120V circuit to power the unit, NCPA incurred no cost, was not responsible for maintaining the equipment, and was not liable for any damages to the weather station. NCPA entered into this agreement solely as a courtesy to NOAA, and its effort to gather weather data.

The original agreement expired December 8, 2019. NOAA would like to establish a new license agreement. The new agreement has the same terms and conditions as the original one, but the term of the agreement is being updated to ten years, the previous agreement had a term of five years. A draft Commission Staff Report and the license agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Jiayo Chiang and seconded by Alan Harbottle recommending Commission approval authorizing the General Manager or his designee to enter into a License Agreement with the National Oceanic and Atmospheric Administration (NOAA) to place a weather monitoring station at the NCPA Geothermal Facility. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 12. All NCPA Facilities, Members, SCPPA – Katama Technologies, Inc. First Amendment to MTCSA** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task Consulting Services Agreement with Katama Technologies, Inc. for consulting services related to business strategy and project planning, increasing the not to exceed amount from \$250,000 to \$1,000,000, for continued use at all facilities owned and/or operated by NCPA, its Members, SCPPA, or SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

On August 6, 2020, NCPA entered into a five-year Multi-Task Consulting Services Agreement with Katama Technologies, Inc., for an amount not to exceed \$250,000. This agreement was developed primarily for a Member project relating to detailed design services for a fiber optic cabling loop between key substations. Initially the scope of work was estimated to fall within the available funds authorized by this agreement, but during the scoping of the project, it became clear an increase to the agreement's compensation amount is required. For this reason, an amendment is necessary to provide adequate funds for the project through completion, plus the availability of additional funds for use by NCPA, its Members, SCPPA, or SCPPA Members over the course of the agreement's five-year term. This is an enabling agreement with no commitment of funds. This is also a Hometown Connections Inc. (HCI) preferred vendor. NCPA currently has agreements in place for similar services with Quest Media Supplies, and IEC Corporation. A draft Commission Staff Report and draft first amendment to the agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task Consulting Services Agreement with Katama Technologies, Inc., with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$250,000 to \$1,000,000, for continued use at any facilities owned and/or operated by NCPA, its Members, the Southern California Public Power Authority (SCPPA), or SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 13. NCPA Geothermal Facility – Geothermal Plant 1 HVAC System Project** – Staff presented background information of the project and was seeking a recommendation for Commission approval to increase the not to exceed amount of the Geothermal Plant 1 HVAC System Project from \$893,817 to \$1,500,000 (subject to approval of \$606,183 in the FY2022 budget), for use at NCPA's Geothermal Facilities.

The original HVAC system installed at the Geothermal Plant 1 has outlived its useful life and has many components in need of replacement and an upgrade. The HVAC system is a critical system to the Plant as it conditions the space for employees, filters hazardous H2S gas, reduces thermal degradation of important electrical systems and their insulation, and removes excessive waste heat to keep indoor transformers operating efficiently. To evaluate and upgrade the existing HVAC system, Costa Engineers completed a total upgrade design

and engineering package. This package included replacement of major equipment utilized in the HVAC system.

The Geothermal Plant 1 HVAC System Project was originally approved at the January 16, 2020 Commission Meeting, with a budget not to exceed \$893,817 (funded in FY2021). After soliciting bids as a Public Works project, in which no bids were received, a Formal Competitive Bid process was followed and three responsive bids were received. The lowest qualifying bid received was from Famand, Inc. dba SitelogiQ, for a total bid amount of \$1,266,506. These funds will come from a combination of FY2021 funds (already approved) and FY2022 funds (pending approval). Utilizing the already authorized FY2021 funds, long-lead equipment will be purchased and the services of the contractor will be secured. Pending the authorization of the FY2022 additional funds, the project's construction will begin late in FY2021 and extend into the first quarter of FY2022, allowing the project timeline to extend across two Fiscal Year budget cycles.

Motion: A motion was made by Brian Schinstock and seconded by Mike Brozo recommending Commission approval of an Amendment to Resolution 20-08 authorizing additional funds for the Geothermal Plant 1 HVAC System Project, increasing the total not to exceed amount of this project from \$893,817 to \$1,500,000 (subject to approval of \$606,183 in the FY2022 budget), and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the updated project amount, without further approval by the Commission. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Plumas-Sierra, Redding, Roseville, and Santa Clara. ABSTAIN = Palo Alto. The motion passed.

INFORMATIONAL ITEMS

14. FY2020 Annual Billing Settlements Review – Staff presented a draft of the FY2020 Annual Billing Settlement for the period of July 1, 2019 through June 30, 2020.

After internal accounting review, the final draft of the FY2020 Annual Billing Settlement was reviewed by the Facilities Committee. The draft results include an approximate \$2.8 million refund from the plants, and approximately \$2.3 million coming from management services, pass-through costs, and third party revenues, for a total amount of \$5.3 million in refunds. The refunds for projects include the Hydro Project at \$1.8 million, Geo at \$869,000, CT1 at \$12,000, CT2 at \$95,000, and the LEC at \$128,000.

The next steps in this process are to present this draft to the LEC PPC October 7, 2020, then the Utility Directors at the October 15, 2020 UD meeting. The final version of the FY2020 Annual Billing Settlement will be presented to the Facilities Committee at the November 4, 2020 Facilities Committee meeting, seeking a recommendation for Commission approval. After that it will be presented to the LEC PPC for approval, and again to the UD's in November. Staff will be seeking Commission approval at the December 3, 2020 Commission meeting.

15. Overview of FY2022 Budget Process and Approach – Staff provided an overview of the FY2022 Budget process, and recommended operating budget directions.

The proposed budget process will continue with review of the draft budgets through the Facilities, LEC PPC, and L&R Committees, and UD meeting, seeking a recommendation for Commission approval. The budget is prepared on a project/program basis. Allocation for all allocated costs are Power Management, Legislative and Regulatory, Judicial Action, Administrative and General, and direct allocations. Previously approved methods will be

continued at this time with focus on NCPA controllable costs and aligning budgets with expectations and previous actuals. Issues impacting the FY2022 budget include union contracts (IBEW and HEA), PERS Pension with an increase of \$375,000 (4%), OPEB, and the CPI index of 1.3%. Other issues include capital and maintenance of assets, including replenishment of reserves, and wildfire mitigation with increased efforts to minimize risks and compliance with audit recommendations.

Recommendations for the FY2022 budget include a target increase of 1.3% for regular operating and maintenance of the plants. All maintenance and capital projects will be reviewed and vetted by the Facilities Committee and the LEC PPC Committee prior to seeking a recommendation for Commission approval. Members expressed consideration for maintenance that is critical, and needed, to keep the plants reliable and resilient. The salary increase target range will be between \$600,000 and \$1 million. No new positions are anticipated at this time. All other operating expenses will target no more than a 1.3% increase as well.

16. New Business Opportunities – Staff presented an update regarding new business opportunities.

South Sutter Water District (SSWD) has contacted NCPA, and is seeking Scheduling Coordinator and Dispatch Services, with the possibility for a long term PPA for project output. The SSWD Camp Far West Hydroelectric Project is a 6.8 MW reservoir, run-of-river type of hydroelectric project, primarily focused on irrigation for rice farming in the area. The project is RPS and RA eligible, and will be available in 2021.

17. Resource Adequacy Commitment Impacts on Operations – Staff presented and discussed impacts Resource Adequacy commitments have on joint project operations.

All planned outage requests are subject to CAISO review, in which the CAISO may issue a POSO, a requirement to supply substitute or replacement RA. Lack of substitute or replacement RA may result in a planned outage being rejected by the CAISO. Planned outage replacement can be supplied from system and/or local RA. Forced outage replacement can only be supplied from like resources, located the same electrical bus. The CAISO has expressed potential concerns with outages being reclassified from planned to forced outages. Staff proposed possible RA substitution processes for both planned and forced outages listed below, and is asking for feedback from Members.

Planned Outages – The planned outage schedule for the following compliance year period is reviewed and approved by the Facilities Committee annually in either August or September, then filed at the CAISO by October 15. At the time of the year ahead filing, on October 31, any RA commitments in conflict with the approved planned outage schedule will be noticed to applicable project participants. Project participants have the opportunity to identify qualified substitute RA capacity at least 30 calendar days in advance of the month ahead compliance deadline. If a project participant does not supply substitute RA capacity, NCPA may seek to procure eligible substitute RA capacity on behalf of a project participant(s) who does not provide substitute RA capacity by the deadline. Costs associated with eligible RA capacity procured by NCPA will be allocated to the deficient project participant(s). A planned outage may need to be cancelled if NCPA does not receive a combination of transferred and/or procured eligible RA capacity that is sufficient to satisfy the full substitution requirement. NCPA will seek alternative options such as a short term opportunity outage or off-peak opportunity outage. Cost allocation for impacts associated with a cancelled planned outage will be considered.

Forced Outages – Project participants are notified at the time of a forced outage. Project participants have the opportunity to identify qualified substitute RA capacity within two calendar days of the notice. If a project participant does not supply substitute RA capacity, NCPA may seek to procure eligible substitute RA capacity on behalf of a project participant(s) who does not provide substitute RA capacity by the deadline. Costs associated with eligible RA capacity procured by NCPA will be allocated to the deficient project participant(s). Any penalty costs incurred for RA commitments as a result of the forced outage will be allocated to project participants based on their pro-rata share of committed RA capacity that was not covered by eligible substitute RA capacity. A defined period of days to qualify for this substitution procedure will be determined.

Substitute RA replacement rules will be incorporated into a new Facilities Agreement Schedule, under Facilities Schedule 15. Rules will be applicable to jointly owned NCPA projects including CT1, CT2, Geothermal Projects, and North Fork Stanislaus River Hydroelectric Developments Projects. Staff will develop a draft Facilities Schedule 15 and present for further consideration at a future Facilities Committee meeting.

18. PG&E Application for CapEx Recovery – Staff provided a presentation regarding PG&E's application for recovery of 2011–2014 CapEx (A.20-07-020).

On July 31, 2020, PG&E filed an application with the CPUC for Recovery of 2011-2014 Gas Transmission and Storage Capital Expenditures. PG&E seeks a revenue requirement of \$416.3 million for the period 2011-2014 of GT&S capital expenditures that were unplanned. PG&E proposes to “amortize” most of the \$416.3 million revenue requirement over 36 months starting in April 2021, by applying it to the volumetric component of the negotiated rates. Increasing the current rate from \$0.1522/th to \$0.1682/th. NCPA budgets will increase at LEC by \$1,481,344, at CT1 by \$47,494, and CT2 by \$9,597 for 2021. PG&E seeks a CPUC Commission decision by February 2021.

Concerns, as well as questions, regarding the filing could push the decision back several months to the fourth quarter of 2021, therefore pushing back the start of the amortization period another year from PG&E's proposal of April 2021. This would overlap into the next GT&S Rate Case expected in quarter three of 2021 on collections and rate impacts. Staff will continue to monitor and develop potential options for recovery that are equitable, and actions to prepare for the upcoming GT&S Rate Case.

19. NCPA Generation Services Plant Updates – Plant Staff gave an update on current plant activities and conditions.

Geo – There were no safety recordables in September, with zero near misses. EH&S training is 78% complete. Poor air quality impacted the area with a few days in the unhealthy to hazardous range, and topping out at almost 600 AQI September 30, 2020. Average generation for September was down to 81.8 MW, with the net generation at 58.9 GWh due to the Plant 1 Lakeville Transmission Line Outage and Glass Fire. The 2020 YTD net generation is 545.7 GWh, 1.3% above forecast. Steam Field maintenance and idle wells continues with D-7 back in production. The SEGEP outage is completed as well as the Plant 1 outage for switch repair.

CTs – September operations included 30 actual starts for CT1, of 108 forecasted, bringing the FYTD total to 92. CT2 had 17 actual starts of 26 forecasted, with the FYTD total at 49. Two forced outages occurred during the month. CT1's outage was due to the compartment fan, and battery failure. CT2 also experienced a forced outage due to the temperature and vibration sensors. There were no planned outages.

Hydro – New Spicer Meadows (NSM) storage is currently at 106,475 acre-feet. NCPA purchased 2,000 acre-feet of water from Utica Water & Power Agency (UWPA) through the water-for-power program for October through November. NSM was offline for 13 days in September due to a PG&E maintenance outage at Salt Springs. During the month there was also two PG&E PSPS events. For the first time in history, the USFS closed the forest including all campgrounds, day use, trails, etc. due to the high fire danger. NCPA submitted a special use permit application for the McKays Sediment Removal Beneficial Reuse Project. FERC delegated their authority to Hydro staff for dam inspections. Beaver Creek and North Fork Diversion Dams have been drained for debris removal and annual maintenance. October priorities include Collierville dual outage and McKays trashrack cleaning, Collierville Unit 1 maintenance outage, and the McKays 17kV fire hardening, to be scheduled.

20. Planning and Operations Update –

- NCPA Renewables RFP – Staff is seeking member feedback regarding interest in projects. The current projects in which Members have expressed interest include: 1) Glover Solar, 2) Avangrid Stagecoach, 3) Calpine Geysers, 4) ORMAT Geo, and 5) OCID. Review of additional proposals is currently underway.
- 2021 Annual RA Filings Due October 31, 2020 – Please send RA information to staff for the annual filings due.
- SCP Services Agreement has been fully executed – Integration is underway.
- SFWPA negotiations are underway again with the PPA review, and possible development of a third phase agreement.
- Strategic Planning effort is continuing with Member meetings to discuss the next 5 year Strategic Plan. The formal plan will be brought back to the Facilities Committee for discussion, and a recommendation for Commission approval.
- Glover Solar Project PPA is under negotiations with Samsung.
- COVID-19 Update – NCPA Dispatch and Scheduling continue with dual operations.

21. Next Meeting – The next regular Facilities Committee meeting is scheduled for November 4, 2020.

ADJOURNMENT

The meeting was adjourned at 12:30 pm by the Committee Chair.

NCPA Facilities Committee Members, Alternates & Staff are requested to sign, but signature by members of the public is voluntary.

[illegible]

Teleconference call only due to Covid19

Northern California Power Agency October 7, 2020 Facilities Committee Meeting Attendance List

NCPA Facilities Committee Members are requested to sign, but signature by members of the public is voluntary.

<u>MEMBER</u>	<u>NAME</u>
ALAMEDA	✓
BART	
BIGGS	✓
GRIDLEY	✓
HEALDSBURG	
LODI	✓
LOMPOC	
PALO ALTO	✓
PLUMAS-SIERRA REC	✓
PORT OF OAKLAND	
REDDING	✓
ROSEVILLE	✓
SANTA CLARA	✓
TID	✓ (non-voting)
UKIAH	



Commission Staff Report

October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: September 30, 2020 Financial Report (Unaudited)

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth <i>[Signature]</i>	METHOD OF SELECTION:
	Treasurer-Controller	N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:

All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
San Francisco Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	Other <input type="checkbox"/>

If other, please specify

RECOMMENDATION:

Approval by all members

NOTICE:

The disbursements of the Northern California Power Agency (NCPA) for the month reported herein, will be approved at the October 29, 2020 meeting of the NCPA Commission. The following page is a summary of those disbursements.

Prior to the Chairman's call to order, the Assistant Secretary to the Commission will, upon request, make available for review the detailed listing of those disbursements.

The report of budget vs. actual costs and the unaudited September 30, 2020 financial reports are also included.

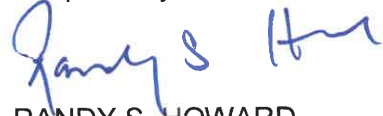
FISCAL IMPACT:

This report has no direct budget impact to the Agency.

ENVIRONMENTAL ANALYSIS:

The financial report would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 of the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments: (1)

**NORTHERN CALIFORNIA POWER AGENCY
and ASSOCIATED POWER CORPORATIONS**

**Schedule of Disbursements
(Unaudited)**

For the Month of September 2020

Operations:

Geothermal	\$ 1,311,581
Hydroelectric	3,017,425
CT#1 Combustion Turbines	325,900
CT#2 STIG	804,645
Lodi Energy Center	6,389,450
NCPA Operating	<u>48,099,545</u>
Total	<u>\$ 59,948,546</u>

**NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

PERCENT OF YEAR ELAPSED 25%
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	This Month	Actual Year To-Date	FY 2021 Budget	% Used	
<u>GENERATION RESOURCES</u>					
NCPA Plants					
Hydroelectric					
Other Plant Cost	\$ 1,478,896	\$ 4,243,235	\$ 20,872,106	20%	
Debt Service (Net)	2,782,355	8,347,066	33,388,263	25%	
Annual Budget Cost	4,261,251	12,590,301	54,260,369	23%	
 Geothermal					
Other Plant Cost	2,631,811	7,148,684	30,610,931	23%	
Debt Service (Net)	412,538	1,237,615	4,950,461	25%	
Annual Budget Cost	3,044,349	8,386,299	35,561,392	24%	
 Combustion Turbine No. 1					
	615,771	1,669,164	7,883,578	21%	
 Combustion Turbine No. 2 (Stig)					
Fuel and Pipeline Transport Charges	379,164	561,564	910,006	62%	(a)
Other Plant Cost	222,538	716,998	2,252,911	32%	(a)
Debt Service (Net)	402,180	1,206,540	4,826,162	25%	
Annual Budget Cost	1,003,882	2,485,102	7,989,079	31%	
 Lodi Energy Center					
Fuel	2,136,219	6,972,254	32,955,703	21%	
Other Plant Cost	1,589,735	5,447,408	33,571,562	16%	
Debt Service (Net)	2,168,653	6,505,959	26,023,835	25%	
Annual Budget Cost	5,894,607	18,925,621	92,551,100	20%	
 Member Resources - Energy					
	4,117,054	17,273,637	60,055,852	29%	(b)
Member Resources - Natural Gas	334,159	1,038,065	2,442,174	43%	(c)
Western Resources	3,311,828	6,331,671	29,869,636	21%	
Market Power Purchases	2,649,447	8,762,922	27,422,650	32%	(d)
Load Aggregation Costs - CAISO	71,436,966	162,202,229	250,995,102	65%	(e)
Net GHG Obligations	-	133,440	-	N/A	
	96,669,314	239,798,451	569,030,932	42%	
 <u>TRANSMISSION</u>					
Independent System Operator					
Grid Management Charge	619,805	1,961,977	2,674,231	73%	(f)
Wheeling Access Charge	8,054,747	23,978,160	112,666,513	21%	
Ancillary Services	1,179,611	3,821,966	3,750,031	102%	(g)
Other ISO Charges/(Credits)	(1,304,968)	(8,571,537)	935,326	-916%	(h)
	8,549,195	21,190,566	120,026,101	18%	
 <u>MANAGEMENT SERVICES</u>					
Legislative & Regulatory					
Legislative Representation	121,328	400,699	2,180,121	18%	
Regulatory Representation	43,863	163,213	715,280	23%	
Western Representation	45,147	141,749	716,059	20%	
Customer Programs	22,836	62,417	476,652	13%	
Judicial Action	81,271	81,271	460,000	18%	
 Power Management					
System Control & Load Dispatch	460,421	1,572,016	6,765,755	23%	
Forecasting, Planning, Prescheduling & Trading	213,953	689,857	2,934,342	24%	
Industry Restructuring & Regulatory Affairs	29,460	90,578	425,152	21%	
Contract Admin, Interconnection Svcs & External Affairs	74,847	253,545	999,897	25%	
Gas Purchase Program	5,313	16,888	81,738	21%	
Market Purchase Project	7,006	24,030	117,239	20%	

Management Services continued on next page

**NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

PERCENT OF YEAR ELAPSED 25%
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	This Month	Actual Year To-Date	FY 2021 Budget	% Used	
Energy Risk Management	14,574	55,459	229,845	24%	
Settlements	50,754	171,676	923,646	19%	
Integrated Systems Support	9,806	80,838	266,055	30%	(i)
Participant Pass Through Costs	21,951	157,693	1,590,641	10%	
Support Services	45,613	263,311	-	N/A	
	1,248,143	4,225,240	18,882,422	22%	
TOTAL ANNUAL BUDGET COST	106,466,652	265,214,257	707,939,455	37%	
LESS: THIRD PARTY REVENUE					
Plant ISO Energy Sales	10,341,215	36,007,402	105,258,271	34%	(j)
Member Resource ISO Energy Sales	2,665,368	8,825,689	26,421,509	33%	(k)
Member Owned Generation ISO Energy Sales	9,005,385	27,380,778	69,679,260	39%	(l)
Customer Owned Generation ISO Energy Sales	4,043	23,554	-		
NCPA Contracts ISO Energy Sales	1,852,993	5,317,314	18,914,977	28%	
Western Resource Energy Sales	2,652,356	9,838,582	17,480,649	56%	(m)
Load Aggregation Energy Sales	23,027,719	54,990,686	-	N/A	
Ancillary Services Sales	435,960	1,192,544	3,988,092	30%	
Transmission Sales	9,198	27,594	110,376	25%	
Western Credits, Interest and Other Income	35,070,384	49,777,564	34,901,791	143%	(n)
	85,064,621	193,381,707	276,754,925	70%	
NET ANNUAL BUDGET COST TO PARTICIPANTS	\$ 21,402,031	\$ 71,832,550	\$ 431,184,530	17%	

- (a) Increase in costs due to greater than projected MWhs of generation. CT2 is at 493% of budgeted MWhs at 9/30/20. Fuel costs, CA ISO charges, and variable costs have increased as a result of increased generation.
- (b) Variance caused by greater than anticipated ISO energy purchases.
- (c) Variance caused by greater than anticipated natural gas for Lodi, Healdsburg, Ukiah, and Gridley.
- (d) Increase due to higher than anticipated market purchases and price per Mwh.
- (e) Increase due to unbudgeted costs related to East Bay Community Energy and San Jose Community Energy. Additionally, the CAISO market experienced historically high day-ahead market prices for several days during the August heatwave. Prices peaked at nearly \$1000/MWh. Typical prices are around \$35/MWh. In addition, NCPA load quantities also increased in response to the heatwave.
- (f) Increase due to unbudgeted costs related to East Bay Community Energy and San Jose Community Energy. Additionally, GMC rates are volumetric and charges went above budget with increased load quantities during August heatwave.
- (g) Increase due to unbudgeted costs related to East Bay Community Energy and San Jose Community Energy. Additionally, during the August heatwave the CAISO faced significant deficiencies in operating reserves (Ancillary Services). This scarcity drove up the cost of Ancillary Services well above typical rates.
- (h) Increase due to unbudgeted revenues related to East Bay Community Energy, San Jose Community Energy, and NCPA Pool. Additionally, during system events like what was experienced in August, the CAISO must increase out-of-market actions, which when taken will result in unanticipated costs. CAISO dispatched as much system capacity as possible, which will result in increased neutrality costs.
- (i) Variance caused by FY21 software maintenance contract costs paid in-full during July. Variance will decrease throughout the year.
- (j) Much of NCPA's generation fleet was called on by CAISO to generate during the August heatwave when prices were extremely high. Prices peaked at nearly \$1000/Mwh.
- (k) Much of NCPA's generation fleet was called on by CAISO to generate during the August heatwave when prices were extremely high. Prices peaked at nearly \$1000/Mwh.
- (l) Member's generation fleet was called on by CAISO to generate during the August heatwave when prices were extremely high. Prices peaked at nearly \$1000/Mwh.
- (m) Western's generation fleet was called on by CAISO to generate during the August heatwave when prices were extremely high. Prices peaked at nearly \$1000/Mwh.
- (n) Variance caused by unbudgeted revenue from customers and greater than anticipated member contract sales.

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	September 30,	
	2020	2019
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 27,815	\$ 35,854
Investments	45,433	59,495
Accounts receivable		
Participants	1	2,776
Other	6,494	1,650
Interest receivable	294	582
Inventory and supplies	5,937	8,891
Prepaid expenses	735	31
TOTAL CURRENT ASSETS	86,709	109,279
RESTRICTED ASSETS		
Cash and cash equivalents	49,170	37,106
Investments	167,967	171,819
Interest receivable	615	840
TOTAL RESTRICTED ASSETS	217,752	209,765
ELECTRIC PLANT		
Electric plant in service	1,494,359	1,506,830
Less: accumulated depreciation	(1,026,445)	(1,011,827)
	467,914	495,003
Construction work-in-progress	-	182
TOTAL ELECTRIC PLANT	467,914	495,185
OTHER ASSETS		
Regulatory assets	225,867	223,577
Preliminary survey and investigation costs	2	592
Investment in associated company	265	265
TOTAL ASSETS	998,509	1,038,663
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	19,782	30,701
Pension deferrals	16,936	17,055
Deferred Outflows - ARO	61,966	62,075
TOTAL DEFERRED OUTFLOWS OF RESOURCES	98,684	109,831
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,097,193	\$ 1,148,494

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	September 30,	
	2020	2019
	(in thousands)	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 17,607	\$ 45,418
Accounts and retentions payable - restricted for construction	-	10
Member advances	993	1,579
Operating reserves	20,677	20,260
Current portion of long-term debt	43,745	42,545
Accrued interest payable	7,601	8,663
TOTAL CURRENT LIABILITIES	90,623	118,475
NON-CURRENT LIABILITIES		
Net pension and OPEB liability	63,003	66,126
Operating reserves and other deposits	131,414	131,831
Interest rate swap liability	20,799	16,513
Asset Retirement Obligations	67,005	65,523
Long-term debt, net	569,251	616,726
TOTAL NON-CURRENT LIABILITIES	851,472	896,719
TOTAL LIABILITIES	942,095	1,015,194
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	88,060	83,407
Pension and OPEB deferrals	4,737	5,802
TOTAL DEFERRED INFLOWS OF RESOURCES	92,797	89,209
NET POSITION		
Net investment in capital assets	(8,116)	(11,072)
Restricted	18,373	15,177
Unrestricted	52,044	39,986
TOTAL NET POSITION	62,301	44,091
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,097,193	\$ 1,148,494

**COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

**NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS**

UNAUDITED

	For the Three Months Ended September 30, 2020			
	2020		2019	
	(in thousands)			
OPERATING REVENUES				
Participants	\$	97,035	\$	106,166
Other Third-Party		96,083		64,929
TOTAL OPERATING REVENUES		193,118		171,095
OPERATING EXPENSES				
Purchased power		89,883		51,378
Operations		19,198		18,578
Transmission		32,246		67,952
Depreciation		7,576		7,758
Maintenance		5,496		5,874
Administrative and general		4,087		4,166
TOTAL OPERATING EXPENSES		158,486		155,706
NET OPERATING REVENUES		34,632		15,389
NON OPERATING (EXPENSES) REVENUES				
Interest expense		(10,056)		(10,796)
Interest income		(3,064)		204
Other		(384)		1,538
TOTAL NON OPERATING EXPENSES		(13,504)		(9,054)
FUTURE RECOVERABLE AMOUNTS				
		(19)		(122)
REFUNDS TO PARTICIPANTS		800		(498)
INCREASE (DECREASE) IN NET POSITION		21,909		5,715
NET POSITION, Beginning of year		40,392		38,376
NET POSITION, Period ended	\$	62,301	\$	44,091

**NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)**

September 30, 2020

	GENERATING & TRANSMISSION RESOURCES															
	Geothermal	Hydroelectric	Multiple Capital Facilities		CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined					
ASSETS																
CURRENT ASSETS																
Cash and cash equivalents	\$	1	\$	1	\$	1	\$	87	\$	-	\$	83	\$	27,642	\$	27,815
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	45,433	-	45,433
Accounts receivable																
Participants	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	3,355	-	6,494
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	109	-	294
Inventory and supplies	1,511	1,583	264	358	2,221	2,221	2,221	2,221	2,221	-	-	-	-	185	-	5,937
Prepaid expenses	143	215	17	24	154	154	154	154	154	-	-	-	-	199	-	735
Due from Agency and other programs*	12,217	7,262	3,942	4,435	22,643	22,643	22,643	22,643	22,643	-	-	-	-	37,611	-	-
TOTAL CURRENT ASSETS	13,872	9,060	4,224	4,818	25,105	25,105	25,105	25,105	25,105	-	-	-	-	7,040	-	86,709
RESTRICTED ASSETS																
Cash and cash equivalents	1,997	3,831	-	-	4,242	4,242	4,242	4,242	4,242	-	-	-	-	23,927	-	49,170
Investments	26,221	37,853	857	-	30,377	30,377	30,377	30,377	30,377	-	-	-	-	56,427	-	167,967
Interest receivable	103	115	-	-	71	71	71	71	71	-	-	-	-	326	-	615
TOTAL RESTRICTED ASSETS	28,321	41,799	857	-	34,690	34,690	34,690	34,690	34,690	-	-	-	-	80,680	-	217,752
ELECTRIC PLANT																
Electric plant in service	572,654	395,229	64,852	36,901	409,934	409,934	409,934	409,934	409,934	7,736	-	-	-	894	-	1,494,359
Less: accumulated depreciation	(544,126)	(283,524)	(53,328)	(34,927)	(98,412)	(98,412)	(98,412)	(98,412)	(98,412)	(7,736)	-	-	-	(602)	-	(1,026,445)
TOTAL ELECTRIC PLANT	28,528	111,705	11,524	1,974	311,522	311,522	311,522	311,522	311,522	-	-	-	-	292	-	467,914
OTHER ASSETS																
Regulatory assets	1,690	133,212	6,867	-	29,035	29,035	29,035	29,035	29,035	-	-	-	-	55,063	-	225,867
Preliminary survey and investigation costs	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2
Investment in associated company	-	-	-	-	-	-	-	-	-	-	-	-	-	265	-	265
TOTAL ASSETS	72,411	295,776	23,472	6,792	400,352	400,352	400,352	400,352	400,352	-	-	-	-	37,971	-	998,509
DEFERRED OUTFLOWS OF RESOURCES																
Excess cost on refunding of debt	1,017	17,338	-	-	1,427	1,427	1,427	1,427	1,427	-	-	-	-	-	-	19,782
Pension deferrals and OPEB deferrals	-	-	-	-	-	-	-	-	-	-	-	-	-	16,936	-	16,936
Asset Retirement Obligations	61,621	-	162	-	183	183	183	183	183	-	-	-	-	-	-	61,966
TOTAL DEFERRED OUTFLOWS OF RESOURCES	62,638	17,338	162	-	1,610	1,610	1,610	1,610	1,610	-	-	-	-	16,936	-	98,684
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	135,049	\$	313,114	\$	23,634	\$	6,792	\$	401,962	\$	-	\$	162,353	\$	1,097,193

*** Eliminated in Combination**

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF NET POSITION
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

September 30, 2020										
	GENERATING & TRANSMISSION RESOURCES								Other Agency	Combined
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services		
\$	140 \$	251 \$	-	- \$	2 \$	2,041 \$	- \$	9,065 \$	- \$	6,108 \$
	791	-	-	-	-	-	-	202	-	993
	929	250	617	3,246	15,635	-	-	-	-	20,677
	5,400	21,750	4,080	-	12,515	-	-	-	-	43,745
	70	2,910	133	-	4,488	-	-	-	-	7,601
	7,330	25,161	4,830	3,248	34,679	-	-	9,065	202	90,623
TOTAL CURRENT LIABILITIES										
	-	-	-	-	-	-	-	-	-	-
	1,500	15,720	-	-	87	-	-	31,514	1,915	63,003
	-	20,799	-	-	-	-	-	-	-	131,414
	66,660	-	162	-	183	-	-	-	-	20,799
	10,815	236,241	15,661	-	306,534	-	-	-	-	67,005
	78,975	272,760	15,823	-	306,804	-	-	31,514	1,915	569,251
	86,305	297,921	20,653	3,248	341,483	-	-	40,579	2,117	851,472
TOTAL NON-CURRENT LIABILITIES										
	-	-	-	-	-	-	-	-	-	-
	37,713	3,543	1,164	2,173	40,209	-	-	-	294	63,003
	-	-	-	-	-	-	-	-	-	80,678
	37,713	3,543	1,164	2,173	40,209	-	-	-	-	131,414
TOTAL LIABILITIES										
	-	-	-	-	-	-	-	-	-	-
	37,713	3,543	1,164	2,173	40,209	-	-	-	294	20,799
	-	-	-	-	-	-	-	-	-	67,005
	37,713	3,543	1,164	2,173	40,209	-	-	-	294	67,005
TOTAL DEFERRED INFLOWS OF RESOURCES										
	-	-	-	-	-	-	-	-	-	-
	4,523	(8,527)	(2,179)	-	(1,933)	-	-	-	-	88,060
	1,189	10,534	698	-	5,952	-	-	-	-	4,737
	5,319	9,643	3,298	1,371	16,251	-	(24,261)	35,560	4,863	92,797
	11,031	11,650	1,817	1,371	20,270	-	(24,261)	35,560	4,863	62,301
TOTAL NET POSITION										
	-	-	-	-	-	-	-	-	-	-
	135,049 \$	313,114 \$	23,634 \$	6,792 \$	401,962 \$	- \$	16,318 \$	37,971 \$	162,353 \$	1,097,193

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued expenses
Member advances
Operating reserves
Current portion of long-term debt
Accrued interest payable

TOTAL CURRENT LIABILITIES

NON-CURRENT LIABILITIES

Net pension and OPEB liability
Operating reserves and other deposits
Interest rate swap liability
Asset Retirement Obligations
Long-term debt, net

TOTAL NON-CURRENT LIABILITIES

TOTAL LIABILITIES

DEFERRED INFLOWS OF RESOURCES

Regulatory credits
Pension and OPEB deferrals
TOTAL DEFERRED INFLOWS OF RESOURCES

NET POSITION

Net investment in capital assets
Restricted
Unrestricted
TOTAL NET POSITION
TOTAL LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND NET POSITION

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

For the Three Months Ended September 30, 2020

	GENERATING & TRANSMISSION RESOURCES										
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined	
OPERATING REVENUES											
Participants	\$ 4,219	\$ 8,622	\$ 1,708	\$ 1,948	\$ 17,801	\$ -	\$ 57,806	\$ 4,702	\$ 229	\$ 97,035	
Other Third-Party	7,875	8,560	1,879	1,705	16,847	-	28,677	30,540	-	96,083	
TOTAL OPERATING REVENUES	12,094	17,182	3,587	3,653	34,648	-	86,483	35,242	229	193,118	
OPERATING EXPENSES											
Purchased power	178	610	161	178	524	-	88,232	-	-	89,883	
Operations	4,297	940	715	527	9,138	-	1,038	2,543	-	19,198	
Transmission	89	28	-	9	165	-	31,954	1	-	32,246	
Depreciation	917	2,416	551	53	3,534	-	-	15	90	7,576	
Maintenance	1,871	1,709	210	742	942	-	-	22	-	5,496	
Administrative and general	1,275	816	183	184	1,378	-	-	1,518	(1,267)	4,087	
Intercompany (sales) purchases, net*	(181)	73	20	24	79	-	-	(15)	-	-	
TOTAL OPERATING EXPENSES	8,446	6,592	1,840	1,717	15,760	-	121,224	4,084	(1,177)	158,486	
NET OPERATING REVENUES	3,648	10,590	1,747	1,936	18,888	-	(34,741)	31,158	1,406	34,632	
NON OPERATING (EXPENSES) REVENUES											
Interest expense	(135)	(6,417)	(54)	-	(3,450)	-	-	-	-	(10,056)	
Interest income	(321)	(323)	12	10	(96)	-	(201)	14	(2,159)	(3,064)	
Other	13	-	232	-	(638)	-	-	-	9	(384)	
TOTAL NON OPERATING (EXPENSES) REVENUES	(443)	(6,740)	190	10	(4,184)	-	(201)	14	(2,150)	(13,504)	
FUTURE RECOVERABLE AMOUNTS	(386)	862	(401)	-	(94)	-	-	-	-	(19)	
REFUNDS TO PARTICIPANTS	(56)	(38)	(120)	141	-	-	426	(364)	811	800	
INCREASE (DECREASE) IN NET POSITION	2,763	4,674	1,416	2,087	14,610	-	(34,516)	30,808	67	21,909	
NET POSITION, Beginning of year	8,268	6,976	401	(716)	5,660	-	10,255	4,752	4,796	40,392	
NET POSITION, Period ended	\$ 11,031	\$ 11,650	\$ 1,817	\$ 1,371	\$ 20,270	\$ -	\$ (24,261)	\$ 35,560	\$ 4,863	\$ 62,301	

* Eliminated in Combination

NORTHERN CALIFORNIA POWER AGENCY & ASSOCIATED POWER CORPORATIONS
AGED ACCOUNTS RECEIVABLE
September 30, 2020

<u>Status</u>	<u>Participant / Customer</u>	<u>Description</u>	<u>Amount</u>
CURRENT			\$ 6,186,863
PAST DUE:			
1 - 30			
31 - 60			
61 - 90	Calpine Geysers Plant Service	Effluent Adj (Mar'18 - Dec'19)	292,665
	Calpine Geysers Plant Service	Effluent December 2019	15,846
91 - 120			
Over 120 Days			
PARTICIPANT and OTHER RECEIVABLES (net)			<u>\$ 6,495,374</u>




Commission Staff Report

October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Treasurer's Report for Month Ended September 30, 2020

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth 	METHOD OF SELECTION:
	Treasurer-Controller	N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Shasta Lake	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>	Other	<input type="checkbox"/>

If other, please specify

RECOMMENDATION:

Approval by all members.

BACKGROUND:

In compliance with Northern California Power Agency (NCPA) policy and State of California Government Code Sections 53601 and 53646(b), the following monthly report is submitted for your information and acceptance.

Cash – At month end cash totaled \$4,211,624 of which approximately \$1,498 was applicable to Special and Reserve Fund Deposits, \$4,265 to Debt Service and \$4,205,861 to Operations and other.

The cash balance held at U.S. Bank includes outstanding checks that have not yet cleared. This cash balance is invested nightly in a fully collateralized (U.S. Government Securities) repurchase agreement.

Investments – The carrying value of NCPA's investment portfolio totaled \$286,105,020 at month end. The current market value of the portfolio totaled \$289,982,395.

The overall portfolio had a combined weighted average interest rate of 1.457% with a bond equivalent yield (yield to maturity) of 1.477%. Investments with a maturity greater than one year totaled \$147,938,000. September maturities totaled \$23 million and monthly receipts totaled \$81 million. During the month \$55 million was invested.

Funds not required to meet annual cash flow are reinvested and separately reported as they occur.

Interest Rates – During the month, rates on 90-day T-Bills decreased 1 basis point (from 0.11% to 0.10%) and rates on one year T-Bills decreased 1 basis point (from 0.13% to 0.12%).

To the best of my knowledge and belief, all securities held by NCPA as of September 30, 2020 are in compliance with NCPA's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

FISCAL IMPACT:

This report has no direct budget impact to NCPA.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachment

NORTHERN CALIFORNIA POWER AGENCY

TREASURER'S REPORT

SEPTEMBER 30, 2020

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INVESTMENT MATURITIES ANALYSIS	5
DETAIL REPORT OF INVESTMENTS	APPENDIX

**Northern California Power Agency
Treasurer's Report
Cash & Investment Balance
September 30, 2020**

	CASH	INVESTMENTS	TOTAL	PERCENT
NCPA FUNDS				
Operating	\$ 2,918,886	\$ 100,445,605	\$ 103,364,491	35.60%
Special Deposits	1,285,199	-	1,285,199	0.45%
Construction	1,776	5,144,799	5,146,575	1.77%
Debt Service	4,265	25,822,688	25,826,953	8.90%
Special & Reserve	1,498	154,691,928	154,693,426	53.28%
	<u>\$ 4,211,624</u>	<u>\$ 286,105,020</u>	<u>\$ 290,316,644</u>	<u>100.00%</u>

Portfolio Investments at Market Value	<u>\$ 289,982,395</u>
---------------------------------------	-----------------------

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency
Treasurer's Report
Cash Activity Summary
September 30, 2020**

	RECEIPTS			EXPENDITURES			CASH INCREASE / (DECREASE)
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	
NCPA FUNDS							
Operating	\$ 71,200,655	\$ 268,560	\$ 9,000,000	\$ (25,552,338)	\$ (29,321,989)	\$ (24,199,022)	\$ 1,395,866
Special Deposits	9,722,551	-	-	(28,128,079)	-	18,402,070	(3,458)
Construction	-	-	709,000	-	(5,144,779)	-	(4,435,779)
Debt Service	-	1	1,255	-	(6,264,224)	6,263,564	596
Special & Reserve	-	113,897	13,221,566	-	(14,637,384)	(466,612)	(1,768,533)
	<u>\$ 80,923,206</u>	<u>\$ 382,458</u>	<u>\$ 22,931,821</u>	<u>\$ (53,680,417)</u>	<u>\$ (55,368,376)</u>	<u>\$ -</u>	<u>\$ (4,811,308)</u>

NOTE A -Investment amounts shown at book carrying value.

NOTE B -Net of accrued interest purchased on investments.

**Northern California Power Agency
Treasurer's Report
Investment Activity Summary
September 30, 2020**

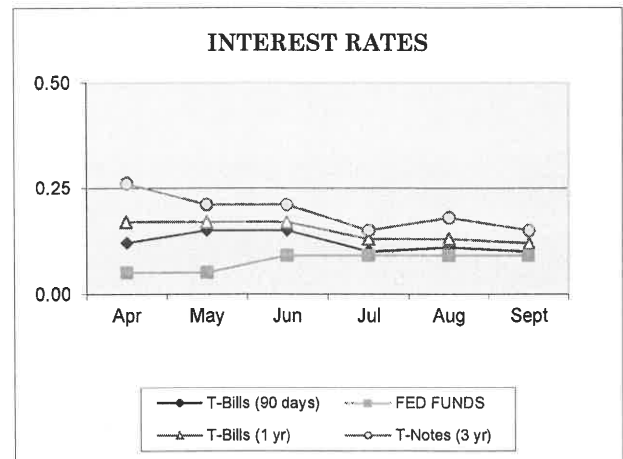
			(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS	
	PURCHASED	SOLD OR MATURED			TRANSFERS	INCREASE / (DECREASE)
NCPA FUNDS						
Operating	\$ 29,321,989	\$ (9,000,000)	\$ 13,485	\$ (470)	\$ -	\$ 20,335,004
Special Deposits	-	-	-	-	-	-
Construction	5,144,779	(709,000)	48	-	-	4,435,827
Debt Service	6,264,224	(1,255)	1,453	-	-	6,264,422
Special & Reserve	14,637,384	(13,221,566)	(13,252)	(470)	-	1,402,096
	<u>\$ 55,368,376</u>	<u>\$ (22,931,821)</u>	<u>\$ 1,734</u>	<u>\$ (940)</u>	<u>\$ -</u>	<u>\$ 32,437,349</u>
Less Non- Cash Activity						
Disc/(Prem) Amortization & Gain/(Loss) on Sale						<u>(794)</u>
Net Change in Investment --Before Non-Cash Activity						<u><u>\$ 32,436,555</u></u>

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency
Interest Rate/Yield Analysis
September 30, 2020**

	WEIGHTED AVERAGE INTEREST RATE	BOND EQUIVALENT YIELD
OVERALL COMBINED	1.457%	1.477%
OPERATING FUNDS:	1.714%	1.702%
PROJECTS:		
Geothermal	1.676%	1.634%
Capital Facilities	0.073%	0.074%
Hydroelectric	1.125%	1.126%
Lodi Energy Center	0.749%	0.614%

KEY INTEREST RATES		
	CURRENT	PRIOR YEAR
Fed Fds (Overnight)	0.09%	1.90%
T-Bills (90da.)	0.10%	1.88%
Agency Disc (90da.)	0.09%	1.68%
T-Bills (1yr.)	0.12%	1.79%
Agency Disc (1yr.)	0.15%	1.59%
T-Notes (3yr.)	0.15%	1.59%



**Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
September 30, 2020**

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-365 Days	1-5 Years	6-10 Years	Total	Percent
US Government Agencies	\$ -	\$ 17,468	\$17,344	\$ 500	\$ 8,490	\$ 66,345	\$ -	\$ 110,147	38.18%
Corporate Bonds (MTN)	-	1,000	2,500	3,000	5,025	63,230	-	74,755	25.91%
Municipal Bonds	-	-	-	1,000	-	17,113	-	18,113	6.28%
US Bank Trust Money Market	4	-	-	-	-	-	-	4	0.00%
Commercial Paper	1,813	-	-	-	-	-	-	1,813	0.63%
Investment Trusts (LAIF)	64,460	-	-	-	-	-	-	64,460	22.34%
Investment Trusts (CAMP)	1	-	-	-	-	-	-	1	0.00%
U.S.Treasury Market Acct. *	6,703	-	-	-	-	-	-	6,703	2.33%
U.S.Treasury Bill/Note	-	6,795	4,202	-	-	-	-	10,997	3.81%
Certificates of Deposit	10	-	-	-	250	1,250	-	1,510	0.52%
Total Dollars	\$ 72,991	\$25,263	\$24,046	\$4,500	\$13,765	\$147,938	\$0	\$ 288,503	100.00%
Total Percents	25.30%	8.76%	8.33%	1.56%	4.77%	51.28%	0.00%	100.00%	

Investments are shown at Face Value, in thousands.

* The cash balance held at US Bank includes outstanding checks that have not yet cleared. This cash balance is invested nightly in a fully collateralized (U.S. Government Securities) repurchase agreement. Cash held by Union Bank of California is invested nightly in fully collateralized U.S. Treasury Securities.

NORTHERN CALIFORNIA POWER AGENCY

Detail Report Of Investments

APPENDIX

Note: **This appendix has been prepared to comply with
Government Code section 53646.**

**Northern California Power Agency
Treasurer's Report**

09/30/2020

Operating

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank, N.A.	USB	25,000	0.050	11/26/2014	25,000		1	0.050	25,000	SYS70101	70101	25,000
Local Agency Investm	LAIF	22,399,256	1.354	07/01/2013	22,399,256		1	1.354	22,399,256	SYS70000	70000	22,399,256
Union Bank of Califo	UBOC	515,895	0.002	07/01/2013	515,895		1	0.002	515,895	SYS70014	70014	515,895
US Bank	USB	2,918,886	0.001	06/30/2013	2,918,886		1	0.001	2,918,886	SYS70050	70050	2,918,886
US Bank	USB	1,787,939	0.010	08/24/2017	1,787,939		1	0.010	1,787,939	SYS70056	70056	1,787,939
California Asset Mgm	CMP	0	0.670	10/19/2018	0		1	0.670	0	SYS70070	70070	0
US Bank	USB	10,000	0.050	07/07/2020	10,000	10/07/2020	6	0.050	10,000	SYS30322	30322	10,000
U.S. Treasury	UBOC	118,000	1.750	10/31/2019	118,184	11/15/2020	45	1.598	118,236	9128283G3	28908	118,022
Walmart, Inc.	UBOC	1,000,000	1.900	09/20/2018	979,580	12/15/2020	75	2.848	1,003,430	931142EA7	26674	998,123
John Deere Capital C	UBOC	500,000	2.350	09/21/2018	492,195	01/08/2021	99	3.057	502,680	24422ET22	26676	499,085
Cisco Systems Inc.	UBOC	1,000,000	2.200	09/20/2018	982,020	02/28/2021	150	2.969	1,007,810	17275RBD3	26667	996,990
NATIONAL RURAL UTIL	UBOC	500,000	2.900	07/31/2019	506,370	03/15/2021	165	2.096	505,985	63743HER9	26847	501,789
Home Depot Inc.	UBOC	500,000	2.000	03/21/2018	487,800	04/01/2021	182	2.846	503,680	437076BL5	26558	497,985
Intel Corp	UBOC	1,000,000	1.700	09/20/2018	968,960	05/19/2021	230	2.919	1,007,880	458140AW0	26670	992,620
Pfizer Inc	UBOC	500,000	1.950	06/12/2018	487,130	08/03/2021	245	2.858	506,120	717081DX8	26617	497,092
Federal Farm Credit	UBOC	2,602,000	1.720	08/28/2017	2,611,784	07/26/2021	298	1.620	2,635,332	3133EHSR5	26465	2,604,050
American Honda Finan	UBOC	1,000,000	1.700	09/20/2018	959,220	09/09/2021	343	3.149	1,011,930	02665WBG5	26669	987,106
3M Company	UBOC	1,000,000	3.000	09/21/2018	999,480	09/14/2021	348	3.018	1,023,830	88579YBA8	26675	999,834
Procter & Gamble	UBOC	1,000,000	2.300	09/20/2018	975,770	02/06/2022	493	3.060	1,028,530	742718DY2	26673	990,336
Johnson & Johnson	UBOC	1,000,000	2.250	09/20/2018	976,140	03/03/2022	518	2.982	1,025,840	478160CD4	26671	990,172
TD Ameritrade	UBOC	500,000	2.950	05/15/2018	493,385	04/01/2022	547	3.315	516,875	87236YAE8	26601	497,441
PepsiCo Inc.	UBOC	500,000	2.250	03/21/2018	487,005	05/02/2022	578	2.924	514,120	713448DT2	26557	494,990
Apple Inc.	UBOC	1,123,337	2.300	02/01/2018	1,121,966	05/11/2022	587	2.329	1,158,419	037833CQ1	26525	1,122,820
American Honda Finan	UBOC	500,000	2.600	06/12/2018	488,550	11/16/2022	776	3.157	522,170	02665WCA7	26614	494,505
Chevron Corp.	UBOC	500,000	2.355	03/21/2018	485,760	12/05/2022	795	3.008	519,065	166764AB6	26555	493,410
Visa Inc.	UBOC	400,000	2.800	08/03/2018	394,552	12/14/2022	804	3.135	420,232	92826CAC6	26647	397,250
Toyota Motor Credit	UBOC	1,000,000	2.700	08/03/2018	974,760	01/11/2023	832	3.315	1,049,010	89236TEL5	26645	987,048
Simon Property Group	UBOC	500,000	2.750	05/15/2018	484,585	02/01/2023	853	3.464	519,830	828807CN5	26603	492,365
Oracle Corp.	UBOC	500,000	2.625	03/21/2018	488,010	02/15/2023	867	3.154	522,255	68389YBR5	26556	494,195
Exxon Mobil Corporat	UBOC	1,000,000	2.726	08/03/2018	985,450	03/01/2023	881	3.068	1,051,670	30231GAR3	26648	992,319
John Deere Capital C	UBOC	500,000	2.800	06/12/2018	489,875	03/06/2023	886	3.264	529,325	24422ETG4	26613	494,801
Berkshire Hathaway I	UBOC	500,000	2.750	03/21/2018	492,280	03/15/2023	895	3.086	526,695	084670BR8	26554	496,196
United Parcel Servic	UBOC	500,000	2.500	05/15/2018	483,225	04/01/2023	912	3.248	525,270	911312BK1	26600	491,402
United Parcel Servic	UBOC	500,000	2.500	09/21/2018	483,120	04/01/2023	912	3.308	525,270	911312BK1	26677	490,680
Walmart, Inc.	UBOC	500,000	2.550	07/31/2019	507,870	04/11/2023	922	2.104	525,635	931142DH3	26848	505,385
Bank of NY Mellon Co	UBOC	500,000	3.500	05/15/2018	501,265	04/28/2023	939	3.443	538,970	06406RAG2	26602	500,658
Hershey Company	UBOC	500,000	3.375	06/12/2018	503,125	05/15/2023	956	3.236	538,185	427866AZ1	26615	501,664
Commonwealth of Mass	UBOC	500,000	0.508	07/09/2020	500,000	07/01/2023	1,003	0.507	497,400	57562RF84	27029	500,000
US Bank	UBOC	1,000,000	3.400	08/03/2018	1,000,000	07/24/2023	1,026	3.399	1,079,350	90331HN1	26646	1,000,000
Microsoft Corp.	UBOC	1,000,000	2.000	09/20/2018	947,350	08/08/2023	1,041	3.172	1,044,120	594918BG6	26672	989,243

Northern California Power Agency
Treasurer's Report
09/30/2020

Operating

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Oracle Corp.	UBOC	4,145,000	2.400	05/31/2019	4,106,452	09/15/2023	1,079	2.630	4,359,587	68389XBL8	26820	4,118,435
JP Morgan	UBOC	500,000	3.875	02/15/2019	514,550	02/01/2024	1,218	3.561	551,605	46625HJT8	26760	509,776
Bank of America Corp	UBOC	1,700,000	2.500	09/24/2019	1,700,000	09/24/2024	1,454	2.577	1,705,746	06048WD56	26872	1,700,000
Federal Farm Credit	UBOC	2,300,000	1.890	09/27/2019	2,300,000	09/27/2024	1,457	1.890	2,329,164	3133EUKU20	26888	2,300,000
Toyota Motor Credit	UBOC	1,000,000	2.150	09/27/2019	1,000,000	09/27/2024	1,457	2.323	1,014,680	89236TGH2	26887	1,000,000
Federal Home Loan Ba	UBOC	1,500,000	2.000	10/04/2019	1,500,000	10/02/2024	1,462	1.999	1,500,075	3130AH7F4	26889	1,500,000
CA St Dept of Wtr Re	UBOC	600,000	0.560	08/06/2020	600,000	12/01/2024	1,522	0.584	600,834	13067WRB0	27055	600,000
Federal Home Loan Mt	UBOC	1,000,000	1.920	01/08/2020	1,000,000	01/08/2025	1,560	1.920	1,003,370	3134GUP95	26923	1,000,000
US Bank, N.A.	UBOC	500,000	2.800	02/07/2020	522,560	01/27/2025	1,579	1.846	543,500	90331HMS9	26947	519,611
Federal National Mtg	UBOC	1,000,000	0.570	07/30/2020	1,000,000	01/29/2025	1,581	0.570	997,790	3136G4E74	27043	1,000,000
Federal National Mtg	UBOC	1,000,000	0.710	06/04/2020	1,000,000	06/04/2025	1,707	0.710	1,001,250	3136G4WA7	27009	1,000,000
Federal Home Loan Mt	UBOC	500,000	0.700	06/25/2020	500,000	06/25/2025	1,728	0.700	499,510	3134GVR26	27015	500,000
City of Phoenix AZ	UBOC	500,000	0.959	08/25/2020	500,000	07/01/2025	1,734	0.990	502,140	71884AF20	27058	500,000
Wisconsin Dept Trans	UBOC	500,000	0.774	07/30/2020	500,000	07/01/2025	1,734	0.787	501,570	977123X78	27041	500,000
Federal National Mtg	UBOC	1,000,000	0.600	07/30/2020	1,001,000	07/29/2025	1,762	0.579	998,240	3136G4D75	27044	1,000,966
Federal Farm Credit	UBOC	500,000	0.680	08/04/2020	500,000	08/04/2025	1,768	0.680	500,165	3133EL2U7	27052	500,000
Federal Farm Credit	UBOC	1,035,000	0.530	09/29/2020	1,035,000	09/29/2025	1,824	0.530	1,033,282	3133EMB0J0	27075	1,035,000
Federal Farm Credit	UBOC	2,035,000	0.530	09/29/2020	2,035,000	09/29/2025	1,824	0.530	2,033,148	3133EMB4H	27076	2,035,000
Fund Total and Average		\$ 73,215,313	1.660		\$ 72,828,304		627	1.822	\$ 74,337,761			\$ 73,065,340

MPP GHG Auction Acct

Local Agency Investm		83,442	1.354	07/01/2013	83,442		1	1.354	83,442	SYS70045	70045	83,442
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Fund Total and Average		\$ 83,442	1.354		\$ 83,442		1	1.354	\$ 83,442			\$ 83,442
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SCPA Balancing Account

Local Agency Investm	LAIF	13,692,952	1.354	07/01/2013	13,692,952		1	1.354	13,692,952	SYS70022	70022	13,692,952
Union Bank of Calif	UBOC	203,922	0.002	07/01/2013	203,922		1	0.002	203,922	SYS70023	70023	203,922
Federal National Mtg	UBOC	1,150,000	1.630	12/20/2018	1,128,369	10/30/2020	29	2.672	1,151,438	3135GORM7	26734	1,149,084
Bank of NY Mellon Co	UBOC	500,000	2.050	04/03/2018	486,105	05/03/2021	214	3.000	504,590	06406FAB9	26570	497,346
Caterpillar Financia	UBOC	505,000	1.700	03/26/2020	497,713	08/09/2021	312	2.780	511,307	14912L6J0A	26954	500,447
Microsoft Corp.	UBOC	500,000	2.375	04/04/2018	492,295	02/12/2022	499	2.798	513,295	594918BA1	26574	497,274
Walt Disney Company/	UBOC	500,000	2.450	07/24/2018	487,520	03/04/2022	519	3.186	514,735	25468PDQ6	26630	495,075
TD Ameritrade	UBOC	500,000	2.950	04/03/2018	497,200	04/01/2022	547	3.100	516,875	87236YAE8	26571	498,949
Home Depot Inc.	UBOC	500,000	2.625	04/04/2018	494,290	06/01/2022	608	2.918	519,120	437076BG6	26572	497,711
Public Storage	UBOC	500,000	2.370	04/04/2018	483,705	09/15/2022	714	3.161	517,305	74460DAB5	26573	492,835
Visa Inc.	UBOC	250,000	2.800	07/24/2018	246,975	12/14/2022	804	3.096	262,645	92826CAC6	26632	248,482
Intel Corp	UBOC	500,000	2.700	06/22/2018	492,300	12/15/2022	805	3.070	526,395	458140AM2	26625	496,210
Toyota Motor Credit	UBOC	550,000	2.625	05/09/2018	536,294	01/10/2023	831	3.203	575,834	89233P7F7	26598	543,322
Cisco Systems Inc.	UBOC	500,000	2.600	06/22/2018	487,655	02/28/2023	880	3.170	527,505	17275RBE1	26624	493,652



Northern California Power Agency
Treasurer's Report

09/30/2020

SCPA Balancing Account

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Exxon Mobil Corporat	UBOC	500,000	2.726	05/09/2018	492,670	03/01/2023	881	3.055	525,835	30231GAR3	26599	496,318
Berkshire Hathaway I	UBOC	500,000	2.750	05/09/2018	490,280	03/15/2023	895	3.185	526,695	084670BR8	26596	495,079
United Parcel Serv	UBOC	500,000	2.500	06/22/2018	484,780	04/01/2023	912	3.191	525,270	911312BK1	26627	492,031
Nike Inc	UBOC	500,000	2.250	05/09/2018	480,350	05/01/2023	942	3.108	523,020	654106AC7	26597	489,802
Simon Property Group	UBOC	500,000	2.750	07/24/2018	484,725	06/01/2023	973	3.438	523,210	829807DD6	26631	491,606
Pfizer Inc	UBOC	500,000	3.000	06/22/2018	496,550	06/15/2023	987	3.150	535,275	717081DH3	26626	498,126
Federal Home Loan Ba	UBOC	2,000,000	3.100	12/28/2018	2,000,000	12/28/2023	1,183	3.100	2,014,440	3130AFKR7	26736	2,000,000
Toyota Motor Credit	UBOC	500,000	2.410	07/25/2019	500,000	07/25/2024	1,393	2.410	506,420	89236TGD1	26831	500,000
Arizona Public Servi	UBOC	239,000	3.150	09/25/2020	263,631	05/15/2025	1,687	0.877	261,397	040555CS1	27073	263,543
Federal Farm Credit	UBOC	2,045,000	0.530	09/29/2020	2,045,000	09/29/2025	1,824	0.530	2,041,605	3133EMB00	27077	2,045,000
Federal Farm Credit	UBOC	2,050,000	0.530	09/29/2020	2,050,000	09/29/2025	1,824	0.530	2,048,135	3133EMB04	27078	2,050,000
Fund Total and Average		\$ 30,185,874	1.715		\$ 30,015,281		563	1.888	\$ 30,569,190			\$ 30,128,746

General Operating Reserve

Local Agency Investm	LAIF	22,122,068	1.354	07/01/2013	22,122,068	11/17/2020	47	1.354	22,122,068	SYS70000	70002	22,122,068
Union Bank of Califo	UBOC	1,805,000	0.002	07/01/2013	1,805,000	08/09/2021	312	0.002	1,805,000	SYS70019	70019	1,805,000
US Bank	USB	0	0.000	07/01/2013	0	09/09/2021	343	0.000	0	SYS70051	70051	0
California Asset Mgm	CMP	512	0.670	12/14/2018	512	11/17/2020	1	0.670	512	SYS70071	70071	512
Federal Home Loan Mt	UBOC	2,330,000	1.875	12/11/2019	2,335,895	08/09/2021	47	1.600	2,335,336	3137EAEK1	26922	2,330,807
Caterpillar Financia	UBOC	505,000	1.700	03/25/2020	495,102	08/09/2021	312	3.169	511,307	14912L6J0A	26956	498,829
Caterpillar Financia	UBOC	505,000	1.700	03/26/2020	497,713	08/09/2021	312	2.780	511,307	14912L6J0A	26957	500,447
American Honda Finan	UBOC	510,000	1.700	03/25/2020	496,924	09/09/2021	343	3.522	516,084	02665WBG5	26964	501,565
NYC Transitional F	UBOC	1,555,000	2.900	04/15/2020	1,593,269	11/01/2021	396	1.285	1,598,851	64971Q7F4	26982	1,581,843
Microsoft Corp.	UBOC	400,000	2.375	04/26/2018	391,480	02/12/2022	499	2.972	410,612	594918BA1	26578	396,938
TD Ameritrade	UBOC	500,000	2.950	04/26/2018	492,950	04/01/2022	547	3.335	516,875	87236YAE8	26582	497,310
Apple Inc.	UBOC	4,025,452	2.300	02/01/2018	4,020,538	05/11/2022	587	2.329	4,151,167	037833CQ1	26524	4,023,601
Federal Home Loan Ba	UBOC	3,575,000	2.125	08/28/2017	3,634,560	06/10/2022	617	1.760	3,693,833	313379Q69	26467	3,596,064
PepsiCo Inc.	UBOC	500,000	3.100	04/26/2018	500,310	07/17/2022	654	3.083	523,115	713448CX4	26580	500,132
NYC Transitional F	UBOC	1,015,000	2.850	04/15/2020	1,046,120	08/01/2022	669	1.485	1,057,488	64971WFJ4	26981	1,039,866
Walt Disney Company/	UBOC	500,000	2.350	01/30/2019	489,400	12/01/2022	791	2.937	519,595	25468PCW4	26739	494,013
Visa Inc.	UBOC	500,000	2.800	04/26/2018	492,600	12/14/2022	804	3.145	525,290	92826CAC6	26584	496,482
US Bank, N.A.	UBOC	750,000	2.850	01/30/2019	741,900	01/23/2023	844	3.140	791,010	90331HNL3	26737	745,297
Bank of NY Mellon Co	UBOC	500,000	2.950	04/26/2018	491,790	01/29/2023	850	3.325	526,685	06406RAE7	26575	495,984
Oracle Corp.	UBOC	500,000	2.625	04/26/2018	487,350	02/15/2023	867	3.195	522,255	68389XBR5	26579	493,752
Praxair Inc	UBOC	500,000	2.700	04/26/2018	488,350	02/21/2023	873	3.225	524,685	74005PBF0	26581	494,225
Berkshire Hathaway I	UBOC	500,000	2.750	04/26/2018	488,920	03/15/2023	895	3.243	526,695	084670BR8	26576	494,432
United Parcel Serv	UBOC	500,000	2.500	04/26/2018	483,135	04/01/2023	912	3.245	525,270	911312BK1	26583	491,449
Chevron Corp.	UBOC	750,000	2.566	01/30/2019	738,750	05/16/2023	957	2.939	791,273	166764BK5	26740	743,123
Arizona Board of Reg	UBOC	1,785,000	2.011	04/17/2020	1,818,897	06/01/2023	973	1.387	1,845,833	040484VN4	26984	1,813,951
Chevron Corp.	UBOC	500,000	3.191	02/07/2019	507,025	06/24/2023	996	2.847	534,325	166764AH3	26755	504,379
Walmart, Inc.	UBOC	500,000	3.400	02/07/2019	510,960	06/26/2023	998	2.864	540,190	931142EK5	26758	506,837

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General Operating Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Montgomery Water Wor	UBOC	2,145,000	1.799	04/17/2020	2,200,234	09/01/2023	1,065	1.020	2,231,508	613105KV6	26985	2,192,772
Pfizer Inc	UBOC	500,000	3.200	01/30/2019	506,250	09/15/2023	1,079	2.908	539,840	717081EN9	26738	503,994
Honolulu City and Co	UBOC	1,770,000	2.141	04/17/2020	1,837,189	10/01/2023	1,095	1.020	1,860,713	4386705V9	26983	1,828,331
Citibank NA	UBOC	500,000	3.650	02/07/2019	507,490	01/23/2024	1,209	3.319	547,995	17325FAS7	26756	504,999
JP Morgan	UBOC	500,000	3.875	02/07/2019	515,120	02/01/2024	1,218	3.535	551,605	46625HJ78	26757	510,114
US Bank, N.A.	UBOC	440,000	3.375	10/31/2019	462,862	02/05/2024	1,222	2.093	478,738	91159HHV5	26906	457,944
JP Morgan	UBOC	1,000,000	1.514	05/27/2020	1,006,120	06/01/2024	1,339	1.356	1,020,610	46647PBQ8	27007	1,005,594
Toyota Motor Credit	UBOC	750,000	2.410	07/25/2019	750,000	07/25/2024	1,393	2.410	759,630	89236TGD1	26841	750,000
Honolulu City and Co	UBOC	1,500,000	1.832	04/13/2020	1,522,710	08/01/2024	1,400	1.058	1,574,730	43868TKT1	26980	1,520,245
Federal Home Loan Ba	UBOC	1,000,000	2.000	10/04/2019	1,000,000	10/02/2024	1,462	1.999	1,000,050	3130AH7F4	26890	1,000,000
California State Uni	UBOC	250,000	0.685	09/17/2020	250,000	11/01/2024	1,492	0.665	250,140	13077DMK5	27072	250,000
JP Morgan	UBOC	1,500,000	2.300	11/27/2019	1,500,000	11/27/2024	1,518	2.386	1,511,475	48128GM49	26912	1,500,000
Federal Home Loan Ba	UBOC	1,820,000	2.750	03/25/2020	1,981,288	12/13/2024	1,534	0.830	2,003,092	3130A3GE8	26962	1,963,621
US Bank, N.A.	UBOC	500,000	2.800	02/07/2020	522,560	01/27/2025	1,579	1.846	543,500	90331HMS9	26951	519,611
W W Grainger Inc.	UBOC	500,000	1.850	04/30/2020	516,000	02/15/2025	1,598	1.161	523,725	384802AE4	27000	514,599
W W Grainger Inc.	UBOC	500,000	1.850	05/21/2020	514,500	02/15/2025	1,598	1.217	523,725	384802AE4	27005	513,394
Federal Farm Credit	UBOC	2,500,000	1.300	03/26/2020	2,500,000	03/26/2025	1,637	1.300	2,503,550	3133ELUT9	26960	2,500,000
Tulsa County OK Ind.	UBOC	1,000,000	1.500	05/26/2020	1,016,450	04/01/2025	1,643	1.038	1,025,130	899559QD3	27006	1,015,272
Arizona Public Servi	UBOC	264,000	3.150	09/25/2020	291,208	05/15/2025	1,687	0.877	288,739	040555CS1	27074	291,110
Honeywell Internatio	UBOC	1,000,000	1.350	06/03/2020	1,023,560	06/01/2025	1,704	0.866	1,031,030	438516CB0	27008	1,022,014
County of Jasper IA	UBOC	420,000	2.350	06/11/2020	443,558	06/01/2025	1,704	1.299	444,389	471376FJ7	27011	442,110
Precision Castparts	UBOC	1,500,000	3.250	06/25/2020	1,667,985	06/15/2025	1,718	1.033	1,661,685	740189AM7	27017	1,658,976
Wells Fargo Bank	UBOC	750,000	1.500	06/17/2020	750,000	06/17/2025	1,720	1.500	745,395	95001DAD2	27013	750,000
JP Morgan	UBOC	750,000	1.050	06/23/2020	750,000	06/23/2025	1,726	1.050	749,880	48128GU40	27024	750,000
Federal Home Loan Mt	UBOC	500,000	0.700	06/25/2020	500,000	06/25/2025	1,728	0.700	499,510	3134GVR26	27016	500,000
Wisconsin Dept Trans	UBOC	500,000	0.774	07/30/2020	500,000	07/01/2025	1,734	0.774	501,570	977123X78	27042	500,000
Federal Farm Credit	UBOC	500,000	0.680	08/04/2020	500,000	08/04/2025	1,768	0.680	500,165	3133EL2U7	27053	500,000
Federal National Mtg	UBOC	1,000,000	0.600	08/18/2020	1,000,000	08/18/2025	1,782	0.600	1,000,980	3136G4G72	27056	1,000,000
Federal National Mtg	UBOC	1,000,000	0.600	08/26/2020	1,000,000	08/26/2025	1,790	0.600	998,500	3136G4X32	27060	1,000,000
Federal Agricultural	UBOC	1,000,000	0.570	09/17/2020	1,000,000	09/17/2025	1,812	0.570	1,001,200	31422BV23	27071	1,000,000
Federal Farm Credit	UBOC	2,000,000	0.530	09/29/2020	2,000,000	09/29/2025	1,824	0.530	1,998,180	3133EMBH4	27079	2,000,000
Federal Farm Credit	UBOC	1,720,000	0.530	09/29/2020	1,720,000	09/29/2025	1,824	0.530	1,717,145	3133EMBJ0	27080	1,720,000
Federal Home Loan Ba	UBOC	1,000,000	0.520	09/29/2020	1,000,000	09/29/2025	1,824	0.520	998,220	3130AKAZ9	27081	1,000,000

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GEO 2012 Construction Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Federal Home Loan Ba	USBT	911,000	0.070	09/29/2020	910,784	01/29/2021	120	0.070	910,727	313385BE5	27085	910,787
Fund Total and Average		\$ 911,000	0.070		\$ 910,784		120	0.071	\$ 910,727			\$ 910,787

Geo 2012A Debt Service

U.S. Treasury	USBT	126,000	0.080	07/29/2020	125,957	12/29/2020	89	0.081	125,972	9127965F2	27031	125,975
Federal Home Loan Ba	USBT	124,000	0.074	08/28/2020	123,967	01/04/2021	95	0.076	123,970	313385AD8A	27081	123,975
Federal Home Loan Ba	USBT	124,000	0.069	09/29/2020	123,977	01/04/2021	95	0.070	123,970	313385AD8A	27087	123,977
Fund Total and Average		\$ 374,000	0.075		\$ 373,901		93	0.076	\$ 373,912			\$ 373,927

Geo 2016A Debt Service

U.S. Treasury	USBT	305,000	0.080	07/29/2020	304,896	12/29/2020	89	0.081	304,933	9127965F2	27032	304,940
Federal Home Loan Ba	USBT	289,000	0.075	08/28/2020	288,922	01/04/2021	95	0.076	288,931	313385AD8A	27062	288,943
Federal Home Loan Ba	USBT	290,000	0.070	09/29/2020	289,945	01/04/2021	95	0.070	289,930	313385AD8A	27088	289,946
Fund Total and Average		\$ 884,000	0.075		\$ 883,763		93	0.076	\$ 883,794			\$ 883,829

Geothermal Special Reserve

Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70015	70015	0
U.S. Treasury	UBOC	1,521,000	1.390	01/31/2020	1,499,662	01/28/2021	119	1.424	1,520,498	912796UC1	26940	1,514,011
Fund Total and Average		\$ 1,521,000	1.390		\$ 1,499,662		119	1.424	\$ 1,520,498			\$ 1,514,011

Geo Decommissioning Reserve

Local Agency Investm	LAIF	738,628	1.354	07/01/2013	738,628		1	1.354	738,628	SYS70027	70027	738,628
Union Bank of Califo	UBOC	1,256,082	0.002	07/01/2013	1,256,082		1	0.002	1,256,082	SYS70034	70034	1,256,082
American Honda Finan	UBOC	500,000	2.650	11/30/2018	493,500	02/12/2021	134	3.285	504,075	02665WCD1	26726	498,925
Toyota Motor Credit	UBOC	500,000	2.950	11/30/2018	496,300	04/13/2021	194	3.276	507,010	89236TEU5	26727	499,167
Caterpillar Financia	UBOC	505,000	1.700	03/25/2020	495,102	08/09/2021	312	3.169	511,307	14912L6U0A	26965	498,829
Ally Bank	UBOC	250,000	3.000	08/30/2018	250,000	08/30/2021	333	3.002	256,735	02007GEQ2A	30312	250,000
PNC Bank NA	UBOC	750,000	2.550	03/15/2018	735,450	12/09/2021	434	3.103	768,983	69353REY0	26553	745,367
Apple Inc.	UBOC	861,211	2.300	11/29/2017	860,117	05/11/2022	587	2.329	888,107	037833CQ1	26499	860,815
University of Califo	UBOC	1,000,000	2.312	04/30/2020	1,024,800	05/15/2022	591	1.080	1,029,250	91412G2T1	27001	1,019,705
Wells Fargo Bank	UBOC	250,000	3.150	08/30/2018	250,000	08/30/2022	698	3.154	264,425	949763TL0A	30311	250,000
Great North Bank	UBOC	250,000	3.050	08/31/2018	250,000	08/31/2022	699	3.051	263,945	39103QAF3A	30310	250,000
Discover Bank	UBOC	250,000	3.150	09/06/2018	250,000	09/06/2022	705	3.152	264,540	254673TM8A	30313	250,000
Wall Disney Company/	UBOC	750,000	2.350	03/15/2018	728,580	12/01/2022	791	3.004	779,393	25468PCW4	26551	740,149

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Geo Decommissioning Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
John Deere Capital C	UBOC	750,000	2.800	03/15/2018	739,748	01/27/2023	848	3.104	792,045	24422ERT8	28550	745,108
Bank of NY Mellon Co	UBOC	750,000	2.950	03/15/2018	740,610	01/29/2023	850	3.229	790,028	06408RAE7	28549	745,514
IBM Credit LLC	UBOC	500,000	3.000	03/15/2018	496,820	02/06/2023	858	3.140	531,415	44932HAH6	28548	498,474
Crook County School	UBOC	355,000	1.563	05/07/2020	356,211	06/15/2023	987	1.450	364,361	227183DH0	27003	356,055
Federal Farm Credit	UBOC	407,000	0.400	07/31/2020	407,000	07/27/2023	1,029	0.399	406,585	3133ELZ72	27049	407,000
Federal Home Loan Mt	UBOC	935,000	1.650	01/31/2020	935,468	07/28/2023	1,030	1.635	938,104	3134GU6D7	26941	935,378
Solano County CCD	UBOC	385,000	5.500	04/09/2020	434,938	09/01/2023	1,034	1.471	437,837	83412PCN0	26978	427,732
Enerbank USA	UBOC	250,000	3.200	09/30/2018	250,000	08/30/2023	1,063	3.203	271,915	29278TCP3A	30309	250,000
Citibank NA	UBOC	250,000	3.300	09/07/2018	250,000	09/07/2023	1,071	3.301	272,775	17312QSS3A4	30314	250,000
Federal Farm Credit	UBOC	1,590,000	0.875	04/08/2020	1,590,000	04/08/2024	1,285	0.875	1,595,040	3133ELVX9	26976	1,590,000
Toyota Motor Credit	UBOC	500,000	2.410	07/25/2019	500,000	07/25/2024	1,393	2.410	506,420	89236TGD1	26842	500,000
Federal Home Loan Ba	UBOC	1,000,000	2.000	10/04/2019	1,000,000	10/02/2024	1,462	1.999	1,000,050	3130AH7F4	26891	1,000,000
Sacramento Suburban	UBOC	330,000	3.480	04/09/2020	349,473	11/01/2024	1,492	1.846	353,760	78607QAY1	26977	347,433
WW Grainger Inc.	UBOC	425,000	1.850	04/30/2020	438,600	02/15/2025	1,598	1.161	445,166	384802AE4	27002	437,410
Federal Farm Credit	UBOC	1,500,000	1.150	04/09/2020	1,500,000	04/09/2025	1,651	1.150	1,500,345	3133ELWCA	26979	1,500,000
Federal National Mtg	UBOC	1,000,000	0.710	06/04/2020	1,000,000	06/04/2025	1,707	0.710	1,001,250	3136GAWA7	27010	1,000,000
Federal Home Loan Mt	UBOC	500,000	0.800	06/30/2020	500,000	06/30/2025	1,733	0.800	500,210	3134GVV62	27027	500,000
Federal Farm Credit	UBOC	2,000,000	3.450	07/27/2018	1,999,300	07/23/2025	1,756	3.455	2,053,280	3133EJUT4	26644	1,999,518
Federal Home Loan Mt	UBOC	1,000,000	0.540	09/15/2020	1,000,000	09/15/2025	1,810	0.540	998,900	3134GWL38	27070	1,000,000
Federal Farm Credit	UBOC	565,000	0.530	09/29/2020	565,000	09/29/2025	1,824	0.530	564,486	3133EMBH4	27082	565,000
Fund Total and Average		\$ 22,852,921	1.960		\$ 22,881,727		1055	1.906	\$ 23,356,452			\$ 22,912,289

Geo 2012A DSR Account

U.S. Treasury	USBT	1,622,000	0.069	09/29/2020	1,621,089	07/15/2021	287	0.071	1,620,670	9127963S6	27096	1,621,095
Fund Total and Average		\$ 1,622,000	0.070		\$ 1,621,089		287	0.071	\$ 1,620,670			\$ 1,621,095
GRAND TOTALS:		\$ 28,164,921	1.676		\$ 28,170,946		888	1.634	\$ 28,666,053.			\$ 28,215,938

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types.

Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 09/30/2020

Investment #26644 PFCB Callable anytime starting 7/23/2021
Investment #26842 TOYOTA Callable semi-annually starting 7/25/2021
Investment #26941 FHLMC Callable on 1/28/2021 only
Investment #26976 PFCB Callable anytime starting 4/8/2022
Investment #26977 SCRWR Callable anytime
Investment #26979 PFCB Callable anytime starting 10/9/2020
Investment #27001 UNVHR Callable anytime
Investment# 27010 FNWA Callable quarterly starting 6/4/2021
Investment #27027 FHLMC Callable quarterly starting 12/30/2020
Investment #27049 PFCB Callable anytime starting 10/27/2020
Investment #27070 FHLMC Callable quarterly starting 9/15/2022
Investment #27082 PFCB Callable anytime starting 9/29/2021

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Capital Dev. Reserve Hydro

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm	LAIF	3,793,330	1.354	07/01/2013	3,793,330		1	1.354	3,793,330	SYS70028	70028	3,793,330
Union Bank of Calif	UBOC	2,831	0.002	07/01/2013	2,831		1	0.002	2,831	SYS70031	70031	2,831
Federal Farm Credit	UBOC	1,995,000	1.750	11/06/2019	1,997,753	10/26/2020	25	1.606	1,997,374	3133EHJ95	26909	1,995,197
U.S. Treasury	UBOC	1,014,000	1.390	01/31/2020	999,788	01/28/2021	119	1.424	1,013,665	912796UC1	26924	1,009,341
California State Gen	UBOC	1,000,000	2.800	04/30/2020	1,016,420	04/01/2021	182	1.000	1,011,960	13063DGA0	26999	1,008,929
Branch Banking & Tru	UBOC	500,000	2.625	06/13/2018	488,420	01/15/2022	471	3.314	513,865	07330NAQ8	26618	495,841
Exxon Mobil Corporat	UBOC	500,000	2.397	06/13/2018	490,350	03/06/2022	521	2.946	513,275	30231GAJ1	26621	486,300
US Bank	UBOC	550,000	3.000	08/10/2018	546,607	03/15/2022	530	3.182	570,411	91159HHC7	26651	548,627
Public Storage	UBOC	500,000	2.370	03/14/2018	485,770	09/15/2022	714	3.051	517,305	74460DAB5	26546	493,820
Visa Inc.	UBOC	500,000	2.800	03/14/2018	494,470	12/14/2022	804	3.051	525,290	92826CAC6	26547	497,436
Toyota Motor Credit	UBOC	500,000	2.700	06/13/2018	489,100	01/11/2023	832	3.215	524,505	89236TEL5	26619	494,576
Oracle Corp.	UBOC	500,000	2.625	03/14/2018	488,715	02/15/2023	867	3.121	522,255	68389XBR5	26545	494,558
United Parcel Servic	UBOC	500,000	2.500	06/13/2018	484,900	04/01/2023	912	3.182	525,270	911312BK1	26620	492,135
Colgate-Palmolive Co	UBOC	550,000	2.100	08/09/2018	528,660	05/01/2023	942	2.985	573,441	19416QEC0	26652	538,339
Federal Farm Credit	UBOC	500,000	0.400	07/31/2020	500,000	07/27/2023	1,029	0.399	499,490	3133ELZ72	27050	500,000
Federal Home Loan Mt	UBOC	500,000	0.375	07/30/2020	500,000	07/28/2023	1,030	0.411	500,060	3134GWDL7	27045	500,000
Federal Home Loan Mt	UBOC	500,000	0.375	08/03/2020	500,000	08/03/2023	1,036	0.375	499,270	3134GVJUC1	27051	500,000
Federal Home Loan Ba	UBOC	1,500,000	3.250	10/19/2018	1,500,000	10/19/2023	1,113	3.250	1,502,355	3130AEYR5	26701	1,500,000
Walmart, Inc.	UBOC	500,000	2.650	02/07/2020	520,975	12/15/2024	1,536	1.744	541,525	931142DV2	26950	518,167
Federal Agricultural	UBOC	500,000	0.675	05/19/2020	500,000	05/19/2025	1,691	0.675	501,130	31422BA26	27004	500,000
Federal Home Loan Mt	UBOC	500,000	0.800	06/30/2020	500,000	06/30/2025	1,733	0.800	500,210	3134GVV62	27026	500,000
Federal National Mtg	UBOC	440,000	0.600	08/26/2020	440,000	08/26/2025	1,790	0.600	439,340	3136G4X32	27059	440,000
Fund Total and Average		\$ 17,345,161	1.869		\$ 17,268,089		589	1.868	\$ 17,588,157			\$ 17,319,427

Hydro Initial Facilities

Federal Home Loan Ba	USBT	4,235,000	0.070	09/29/2020	4,233,995	01/29/2021	120	0.070	4,233,730	313385BE5	27086	4,234,012
Fund Total and Average		\$ 4,235,000	0.070		\$ 4,233,995		120	0.071	\$ 4,233,730			\$ 4,234,012

Hydro Debt Service

Federal Home Loan Ba	USBT	1,584,000	0.130	06/26/2020	1,583,165	11/19/2020	49	0.131	1,583,857	313384Q28	27018	1,583,720
U.S. Treasury	USBT	4,202,000	0.080	07/29/2020	4,200,571	12/29/2020	89	0.081	4,201,076	912796SF2	27033	4,201,169
Federal Home Loan Ba	USBT	793,000	0.075	08/28/2020	792,787	01/04/2021	95	0.076	792,810	313385AD6A	27063	792,843
Federal Home Loan Ba	USBT	792,000	0.070	09/29/2020	791,851	01/04/2021	95	0.070	791,810	313385AD6A	27089	791,854
Fund Total and Average		\$ 7,371,000	0.089		\$ 7,368,374		82	0.090	\$ 7,369,553			\$ 7,369,586

Hydro 2018A Debt Service

Hydro 2018A Debt Service

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
U.S. Treasury	USBT	1,198,000	0.080	07/29/2020	1,197,593	12/29/2020	89	0.081	1,197,736	9127965F2	27034	1,197,763
Federal Home Loan Ba	USBT	1,148,000	0.074	08/28/2020	1,147,691	01/04/2021	95	0.076	1,147,724	313385AD8A	27064	1,147,773
Federal Home Loan Ba	USBT	1,148,000	0.070	09/29/2020	1,147,783	01/04/2021	95	0.070	1,147,724	313385AD8A	27090	1,147,788
Fund Total and Average		\$ 3,494,000	0.075		\$ 3,493,067		93	0.076	\$ 3,493,184			\$ 3,493,324

Hydro 2019A Debt Service

U.S. Treasury	USBT	846,000	0.080	07/29/2020	845,712	12/29/2020	89	0.081	845,814	9127965F2	27035	845,833
Federal Home Loan Ba	USBT	809,000	0.075	08/28/2020	808,783	01/04/2021	95	0.076	808,806	313385AD8A	27065	808,840
Federal Home Loan Ba	USBT	809,000	0.070	09/29/2020	808,847	01/04/2021	95	0.070	808,806	313385AD8A	27091	808,851
Fund Total and Average		\$ 2,464,000	0.075		\$ 2,463,342		93	0.076	\$ 2,463,426			\$ 2,463,524

Hydro 2012A Rebate Account

U.S. Treasury	USBT	45,000	0.069	09/29/2020	44,975	07/15/2021	287	0.071	44,963	9127963S6	27097	44,975
Federal Home Loan Mt	USB	689,000	1.875	04/28/2017	691,391	08/09/2021	312	1.790	689,131	3134G93A3	26432	689,478
Fund Total and Average		\$ 734,000	1.764		\$ 736,366		310	1.685	\$ 734,094			\$ 734,453

Hydro Special Reserve

Local Agency Investm	LAIF	0	0.377	07/01/2013	0		1	0.377	0	SYS70000	70003	0
Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70016	70016	0
U.S. Treasury	UBOC	1,521,000	1.390	01/31/2020	1,499,682	01/28/2021	119	1.424	1,520,498	912796UC1	26942	1,514,011
Fund Total and Average		\$ 1,521,000	1.390		\$ 1,499,682		119	1.424	\$ 1,520,498			\$ 1,514,011

Hydro 2012 DSRA

Federal Home Loan Ba	USBT	193,000	0.110	07/29/2020	192,891	01/29/2021	120	0.111	192,942	313385BE5	27039	192,929
U.S. Treasury	USB	146,000	2.250	02/27/2018	145,992	02/15/2021	137	2.251	147,158	9128283X6	26539	145,999
U.S. Treasury	USBT	254,000	0.069	09/29/2020	253,857	07/15/2021	287	0.071	253,792	9127963S6	27098	253,858
Federal Home Loan Mt	USB	3,928,000	2.375	02/09/2012	3,926,232	01/13/2022	469	2.380	4,041,401	3137EADB2	25852	3,927,772
Fund Total and Average		\$ 4,521,000	2.145		\$ 4,518,972		433	2.149	\$ 4,635,293			\$ 4,520,568

GRAND TOTALS: \$ 41,685,161 1.125 \$ 41,581,887 342 1.126 \$ 42,037,935. \$ 41,648,895

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 09/30/2020

Investment #26701	FHLB	Callible on 10/19/2020 only
Investment# 26950	WMT	Callible anytime starting 10/15/2024
Investment# 27004	FAMCA	Callible semi-annually starting 5/19/2022
Investment# 27026	FHLMC	Callible quarterly starting 12/30/2020
Investment# 27045	FHLMC	Callible on 7/28/2021 only
Investment #27050	FFCB	Callible anytime starting 10/27/2020
Investment# 27051	FHLMC	Callible quarterly starting 8/03/2021
Investment# 27059	FNMA	Callible quarterly starting 8/26/2021



Northern California Power Agency
Treasurer's Report

09/30/2020

Cap Facilities 2019A Debt Svc

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USBT	251	0.600	01/24/2020	251		1	0.600	251	SYS79017	79017	251
Federal Home Loan Ba	USBT	415,000	0.070	09/29/2020	414,902	01/29/2021	120	0.070	414,876	313385BE5	27092	414,903
Federal Home Loan Ba	USBT	415,000	0.075	08/28/2020	414,864	02/01/2021	123	0.076	414,859	313385BH8A	27066	414,894
Fund Total and Average		\$ 830,251	0.073		\$ 830,017		121	0.074	\$ 829,986			\$ 830,048
GRAND TOTALS:		\$ 830,251	0.073		\$ 830,017		121	0.074	\$ 829,986.			\$ 830,048

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 09/30/2020



Northern California Power Agency
Treasurer's Report

09/30/2020

LEC GHG Auction Acct

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		86,964	1.354	07/01/2013	86,964		1	1.354	86,964	SYS70046	70046	86,964
Fund Total and Average		\$ 86,964	1.354		\$ 86,964		1	1.354	\$ 86,964			\$ 86,964

LEC Issue#1 2010A DS Fund

US Bank Trust	USB	132	0.600	07/01/2013	132		1	0.600	132	SYS79003	79003	132
Federal Home Loan Ba	USBT	485,000	0.129	06/26/2020	484,744	11/19/2020	49	0.131	484,956	313384Q28	27020	484,914
Fund Total and Average		\$ 485,132	0.130		\$ 484,876		49	0.132	\$ 485,088			\$ 485,046

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	454	0.600	07/01/2013	454		1	0.600	454	SYS79004	79004	454
Federal Home Loan Ba	USBT	660,000	0.130	06/26/2020	659,652	11/19/2020	49	0.131	659,941	313384Q28	27021	659,883
Federal Home Loan Ba	USBT	1,076,000	0.070	07/29/2020	1,075,738	12/01/2020	61	0.070	1,075,839	313384R68A	27036	1,075,872
Federal Home Loan Ba	USBT	1,077,000	0.080	08/28/2020	1,076,773	12/01/2020	61	0.081	1,076,838	313384R68A	27067	1,076,854
Federal Home Loan Ba	USBT	1,076,000	0.060	09/29/2020	1,075,887	12/01/2020	61	0.060	1,075,839	313384R68A	27093	1,075,891
Fund Total and Average		\$ 3,889,454	0.080		\$ 3,888,504		59	0.081	\$ 3,888,911			\$ 3,888,954

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	237	0.600	07/01/2013	237		1	0.600	237	SYS79012	79012	237
Federal Home Loan Ba	USBT	1,134,000	0.130	06/26/2020	1,133,402	11/19/2020	49	0.131	1,133,898	313384Q28	27022	1,133,799
Federal Home Loan Ba	USBT	944,000	0.069	07/29/2020	943,771	12/01/2020	61	0.070	943,858	313384R68A	27037	943,888
Federal Home Loan Ba	USBT	944,000	0.080	08/28/2020	943,801	12/01/2020	61	0.081	943,858	313384R68A	27068	943,872
Federal Home Loan Ba	USBT	945,000	0.060	09/29/2020	944,901	12/01/2020	61	0.060	944,858	313384R68A	27094	944,904
Fund Total and Average		\$ 3,967,237	0.087		\$ 3,966,112		58	0.088	\$ 3,966,709			\$ 3,966,700

LEC Issue#1 2017A DS Fund

U.S. Treasury	USBT	68,000	0.115	06/28/2020	67,968	11/19/2020	49	0.117	67,992	9127963A5	27023	67,989
Federal Home Loan Ba	USBT	667,000	0.070	07/29/2020	666,838	12/01/2020	61	0.070	666,900	313384R68A	27038	666,921
Federal Home Loan Ba	USBT	667,000	0.080	08/28/2020	666,859	12/01/2020	61	0.081	666,900	313384R68A	27069	666,910
Federal Home Loan Ba	USBT	666,000	0.060	09/29/2020	665,930	12/01/2020	61	0.060	665,900	313384R68A	27095	665,932
Fund Total and Average		\$ 2,068,000	0.071		\$ 2,067,595		61	0.073	\$ 2,067,692			\$ 2,067,752

LEC Issue #1 2010 DSR Fund

US Bank Trust	USB	1,917	0.600	07/01/2013	1,917		1	0.600	1,917	SYS79005	79005	1,917
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09/30/2020

LEC Issue #1 2010 DSR Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Federal Home Loan Ba	USBT	420,000	1.500	01/28/2020	413,823	01/15/2021	106	1.537	419,891	313385A09A	26943	418,145
Federal Home Loan Ba	USBT	4,429,000	0.110	07/29/2020	4,426,510	01/29/2021	120	0.111	4,427,671	313385BE5	27040	4,427,376
Federal Home Loan Mt	USB	150,000	1.125	07/28/2017	146,648	08/12/2021	315	1.699	151,271	3137EAEC9	26454	149,283
Federal Home Loan Ba	USB	4,100,000	2.125	08/28/2017	4,168,306	06/10/2022	617	1.760	4,236,284	313379Q09	26463	4,124,157
Fund Total and Average		\$ 9,100,917	1.102		\$ 9,157,204		347	0.948	\$ 9,237,034			\$ 9,120,878

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	795	0.600	07/01/2013	795		1	0.600	795	SYS79006	79006	795
U.S. Treasury	USBT	2,369,000	0.070	09/29/2020	2,367,669	07/15/2021	287	0.071	2,367,057	912796356	27099	2,367,678
Fund Total and Average		\$ 2,369,795	0.070		\$ 2,368,464		287	0.071	\$ 2,367,852			\$ 2,368,473

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	575	0.600	07/01/2013	575		1	0.600	575	SYS79013	79013	575
U.S. Treasury	USBT	759,000	0.069	09/29/2020	758,573	07/15/2021	287	0.071	758,378	912796356	27100	758,576
Federal Home Loan Mt	USBT	380,000	1.650	01/31/2020	380,190	07/28/2023	1,030	1.635	381,262	3134GU6D7	26945	380,154
Fund Total and Average		\$ 1,139,575	0.597		\$ 1,139,338		535	0.593	\$ 1,140,215			\$ 1,139,305

LEC O & M Reserve

Local Agency Investm		1,543,266	1.354	07/01/2013	1,543,266		1	1.354	1,543,266	SYS70047	70047	1,543,266
Union Bank of Califo	UBOC	268	0.002	07/18/2013	268		1	0.002	268	SYS70041	70041	268
Federal Farm Credit	UBOC	500,000	1.500	10/15/2019	499,335	04/15/2021	196	1.590	503,650	3133EKY83	26892	499,761
Toyota Motor Credit	UBOC	495,000	1.800	02/03/2020	496,995	10/07/2021	371	1.555	502,064	89236TGJ8	26953	496,209
Memphis Center City	UBOC	500,000	5.530	04/27/2020	533,880	11/01/2021	396	1.000	527,320	5880TECD4	26986	524,289
US Bank, N.A.	UBOC	595,000	2.650	05/31/2019	598,290	05/23/2022	599	2.456	616,938	90331HPC1	26822	596,817
Federal Home Loan Mt	UBOC	1,000,000	0.375	07/30/2020	1,000,000	07/28/2023	1,030	0.375	1,000,120	3134GWDL7	27046	1,000,000
Caterpillar Financia	UBOC	485,000	3.250	02/03/2020	496,569	12/01/2024	1,522	1.776	511,988	14912L6G1	26952	492,246
Federal Farm Credit	UBOC	1,000,000	0.640	07/30/2020	1,000,000	01/27/2025	1,579	0.639	997,710	3133ELZ84	27048	1,000,000
Federal National Mtg	UBOC	1,000,000	0.600	07/30/2020	1,001,000	07/29/2025	1,762	0.579	998,240	3136G4D75	27047	1,000,966
Federal Farm Credit	UBOC	2,000,000	0.670	08/04/2020	2,000,000	08/04/2025	1,768	0.670	2,002,700	3133EL2S2	27054	2,000,000
Federal National Mtg	UBOC	1,000,000	0.600	08/18/2020	1,000,000	08/18/2025	1,782	0.600	1,000,980	3136G4G72	27057	1,000,000
Federal Farm Credit	UBOC	750,000	0.530	09/29/2020	750,000	09/29/2025	1,824	0.530	749,318	3133EMB44	27083	750,000
Federal Farm Credit	UBOC	670,000	0.530	09/29/2020	670,000	09/29/2025	1,824	0.530	668,888	3133EMB30	27084	670,000
Fund Total and Average		\$ 11,518,534	1.220		\$ 11,589,603		1199	0.934	\$ 11,623,450			\$ 11,573,822

GRAND TOTALS: \$ 34,625,608 0.749 \$ 34,748,660 546 0.614 \$ 34,863,915. \$ 34,697,894

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types.
Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 09/30/2020

Investment #26822	USB	Callable anytime starting 4/22/2022
Investment #26945	FHLMC	Callable on 1/28/2021 only
Investment #27046	FHLMC	Callable on 7/28/2021 only
Investment #27047	FHLMC	Callable quarterly starting 7/29/2022
Investment #27048	FFCB	Callable anytime starting 10/27/2020
Investment #27054	FFCB	Callable anytime starting 2/4/2021
Investment #27057	FNMA	Callable quarterly starting 8/18/2022
Investment #27083	FFCB	Callable anytime starting 9/29/2021
Investment #27084	FFCB	Callable anytime starting 12/29/2020



Commission Staff Report

October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Disposal of Northern California Power Agency Surplus Property

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth <i>[Signature]</i>	METHOD OF SELECTION:
	Treasurer-Controller	N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Shasta Lake	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>	Other	<input type="checkbox"/>

If other, please specify

RECOMMENDATION:

Note and file report by all members for the disposal of the following:

- I-shaped cinder blocks from Collierville Powerhouse
- Various sized festoon cables from Collierville Powerhouse
- Scrap metal from Lodi Energy Center

BACKGROUND:

The NCPA Policy for the Disposal or Destruction of Surplus Supplies, Materials, or Equipment requires that such disposal or destruction be reported to the NCPA Commission within 60 days of such action.

In accordance with that policy the above listed items have been disposed of due to being obsolete and having no value to the Agency.

FISCAL IMPACT:

This report has no direct fiscal impact to the Agency.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments: Declarations of Surplus
Receipts of disposal



DECLARATION OF SURPLUS SUPPLIES, MATERIALS & EQUIPMENT

Date: 8/12/2020

QTY	U/M**	DESCRIPTION (Including All Applicable Model #'s, LCNs & VINs)	COND**	ESTIMATED VALUE		NCPA Property or Project #	SITE LOCATION
				UNIT	TOTAL		
1.	100	ea	G	1	\$100		Murphys
2.							
3.							
4.							
5.							
6.							
7.							
8.							

JUSTIFICATION FOR SURPLUS/DISPOSAL:

Concrete cinder blocks left over from building a storage building at Collierville Powerhouse many years ago.

PREPARED BY: Jefferson 8-12-20 8/12/20
 APPROVED BY: Jefferson ORG. CODE: 650
 AUTHORIZATION TO PROCEED: 8/26/20 DATE: 8/26/20
 (ASST. GEN. MANAGER)
 (GENERAL MANAGER)

RECOMMENDED DISPOSITION:
 NEGOTIATED (Private) SALE _____
 PUBLIC SALE: ☒ SEALED BIDS _____ AUCTION _____
 DISPOSAL: _____ SCRAP/RECYCLE VALUE _____ NO VALUE -- TRASH/JUNK
 DISPOSITION JUSTIFICATION:

Plan to offer these for sale via local public advertisement. Scrap if no interest.

** CONDITION: EXCELLENT (E), GOOD (G), AVERAGE (A), POOR (P), SCRAP (S)

ORIGINAL TO TREASURER-CONTROLLER

ATTACHMENT 1



477 Bret Harte Drive
Murphys, CA 95247

phone (209) 728-1387
fax (209) 728-1391
web www.ncpa.com

Receipt Acknowledgment Sale of Surplus Property

October 5, 2020

Items sold via public sale:

Item Description	Sale Price
Cinder Blocks	\$100
Total Received Cash	\$100

Delivery Acknowledgment:

Delivered By: (NCPA) *[Signature]*

Received By: *Chace Simmery*

Date: *10/5/20*



Date: 8/17/2020

DECLARATION OF SURPLUS SUPPLIES, MATERIALS & EQUIPMENT

QTY	U/M*	DESCRIPTION (Including All Applicable Model #'s, LCNs & VINs)	COND**	ESTIMATED VALUE		NCPA Property or Project #	SITE LOCATION
				UNIT	TOTAL		
1.	4	Festoon Cable, various sizes	E	4	\$150		MURPHYS
2.							
3.							
4.							
5.							
6.							
7.							
8.							

JUSTIFICATION FOR SURPLUS/DISPOSAL:

This cable is no longer needed as it was originally purchased for a crane project that never came to pass. The festoon cable was purchased to rework some crane components at Collierville Powerhouse but a larger overhaul was ultimately needed. The crane was fully refurbished by Allied Crane in July 2018, the project is complete and this cable is no longer necessary.

PREPARED BY: <u>Angela Smith 8-18-20</u> <u>8/18/20</u> APPROVED BY: <u>April Fedler</u> <u>650</u> AUTHORIZATION TO PROCEED: <u>Andy S</u> <u>8/26/20</u> <u>(GENERAL MANAGER)</u>	RECOMMENDED DISPOSITION: NEGOTIATED (Private) SALE <input checked="" type="checkbox"/> PUBLIC SALE: <input type="checkbox"/> SEALED BIDS <input type="checkbox"/> AUCTION <input type="checkbox"/> DISPOSAL: <input type="checkbox"/> SCRAP/RECYCLE VALUE <input type="checkbox"/> NO VALUE - TRASH/JUNK <input type="checkbox"/> DISPOSITION JUSTIFICATION: This is a specialty product only useful to crane companies, not the general public. A sale was negotiated with Allied Crane service.
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** CONDITION: EXCELLENT (E), GOOD (G), AVERAGE (A), POOR (P), SCRAP (S)

ORIGINAL TO TREASURER-CONTROLLER



477 Bret Harte Drive
Murphys, CA 95247

phone (209) 728-1387
fax (209) 728-1391
web www.ncpa.com

Receipt Acknowledgment Sale of Surplus Property

October 14, 2020

Allied Crane
855 North Parkside Drive
Pittsburg, CA 94565

Items sold via negotiated private sale:

- Four (4) Festoon Cable Spools for \$150/total

Delivery Acknowledgment:

Delivered By: (NCPA)

Received By: (Dennis)

Date:

10-14-20

NCPA

NORTHERN CALIFORNIA POWER AGENCY DECLARATION OF EXCESS

Date: 10/2/2020

QTY	U/M*	DESCRIPTION (Including All Applicable Model #'s, LCNs & VINs)	COND**	ESTIMATED VALUE		NCPA Property# / Stock # / Fleet # or Project #	SITE LOCATION
				UNIT	TOTAL		
1.	1	SCRAP METAL	S		\$ 0.00		CTZ/LEC
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							

JUSTIFICATION FOR EXCESS/DISPOSAL: SCRAP

RECOMMENDED DISPOSITION: SCRAP

PREPARED BY: Melissa Philpot Michael DeBortoli
 ORG. Philpot
 APPROVED BY: [Signature] CODE: 10/14/20
 AUTHORIZATION (ASST. GEN. MANAGER)
 TO PROCEED: [Signature] DATE: 10/14/20
 (GENERAL MANAGER)

PUBLIC SALE _____ PRIVATE SALE _____
 X DISPOSAL - NO NET SCRAP VALUE
 *U/M = UNIT OF MEASURE
 ** CONDITION: EXCELLENT (E), GOOD (G), AVERAGE
 POOR (P), SCRAP (S)

ORIGINAL TO TREASURER-CONTROLLER



Date: 10/20/2020

This notice confirms that the Northern California Power Agency has disposed of the following items listed below:

- Scrap Metal

To the following:

Vendor Name: V&E Hauling / Vincente Gonzales

Address/Phone #: 524 E. Harold Street, Lodi (209) 915-0214

Signature: [Handwritten Signature]

Northern California Power Agency

Employee Name: Melissa Philpot

Signature: [Handwritten Signature: Melissa Philpot]

Monies Received for this?

☒ YES (\$ 195.30) (50% of total, rounded)

☐ NO



1815 NAVY DR.
STOCKTON, CA 95206
PHONE 209-932-1107
FAX 209-939-9647

Material Purchase Ticket

Ticket # 66574

WWW.ALCOMETALS.COM - STOCKTON@ALCOMETALS.COM

Customer ID - 30860
VICENTE GONZALEZ
525 E HAROLD ST
LODI, CA 95240

Date: 10/20/2020 10:29:20AM
Scale: ST - Small Scale
Weighmaster Jose Zamora

Page 1 of 1
Tracking ID VICENTE GONZ

Driver's License Number: N7545685
Vehicle Tag: 8J84881

Item	Gross	Tare	Net	Price	Total
Ins Cu Wire No.3 - 45%	522.0 S ¹	402.0 M ¹	120.0 LB	\$0.750 LB	\$90.00
Ins Cu Wire No.2 - 65%	454.0 S ¹	430.0 S ¹	24.0 LB	\$1.100 LB	\$26.40
Cu No.2	430.0 S ¹	398.0 M ¹	32.0 LB	\$2.000 LB	\$64.00
Motor	570.0 S ¹	380.0 M ¹	190.0 LB	\$0.080 LB	\$15.20

Ticket Total - \$195.60

Please Sign Here:
Por Favor Firme Aqui:

PAYMENT HOLD UNTIL 10/23/2020

WEIGHMASTER CERTIFICATE

THIS IS TO CERTIFY that the following described commodity was weighed, measured, or counted by a weighmaster, whose signature is on this certificate, who is a recognized authority of accuracy, as prescribed by Chapter 7 (commencing with Section 12700) of Division 5 of the California Business and Professions Code, administered by the Division of Measurement Standards of the California Department of Food and Agriculture.

Scale Legend

1ST - Small Scale

Legend - "S" = Scale / Scaled Weight "M" = Manually Entered Weight "A" = Automatic Tare Weight



1815 NAVY DR.
STOCKTON, CA 95206
PHONE 209-932-1107
FAX 209-939-9647

Material Purchase Ticket

Ticket # 66571

WWW.ALCOMETALS.COM - STOCKTON@ALCOMETALS.COM

Customer ID - 30660
VICENTE GONZALEZ
525 E HAROLD ST
LODI, CA 95240

Date: 10/20/2020 9:35:48AM
Scale: ST- Truck Scale
Weighmaster Luis Medina

Page 1 of 1
Tracking ID MARIA

Driver's License Number: N7545685
Vehicle Tag:

Item	Gross	Tare	Net	Price	Total
Mixed Steel Scrap	9,640.0 s ¹	7,040.0 s ¹	2,600.0 LB	\$150.000 NTon	\$195.00

Ticket Notes:
S1P 95% S2P 5%

Ticket Total - \$195.00

Please Sign Here:
Por Favor Firme Aqui:

WEIGHMASTER CERTIFICATE

THIS IS TO CERTIFY that the following described commodity was weighed, measured, or counted by a weighmaster, whose signature is on this certificate, who is a recognized authority of accuracy, as prescribed by Chapter 7 (commencing with Section 12700) of Division 5 of the California Business and Professions Code, administered by the Division of Measurement Standards of the California Department of Food and Agriculture.

Scale Legend

¹ST- Truck Scale

Legend - "S" = Scale / Scaled Weight "M" = Manually Entered Weight "A" = Automatic Tare Weight



13

Commission Staff Report

October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Acceptance of the Annual Financial Statements and Associated Audit Report and Letters for the Years Ended June 30, 2020 and 2019

AGENDA CATEGORY: Consent

FROM:	Monty Hanks Assistant General Manager/CFO	METHOD OF SELECTION:	N/A
Division:	Administrative Services		
Department:	Accounting & Finance		

IMPACTED MEMBERS:					
All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Shasta Lake	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>	Other	<input type="checkbox"/>
<i>If other, please specify</i>					
<hr/>					
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RECOMMENDATION:

Northern California Power Agency staff and the Finance Committee recommend that the Commission accept and file the Annual Financial Statements and Associated Audit Report and Letters for the years ended June 30, 2020 and 2019.

BACKGROUND:

On October 13, 2020, the Finance Committee held a meeting to review the Northern California Power Agency and Associated Power Corporations (collectively "NCPA") Financial Statements and Associated Audit Report and Letters for the years June 30, 2020 and 2019. The audit partner from NCPA's audit firm, Baker Tilly, reviewed the highlights of the financial statements and answered questions from the Committee. The financial report was given an unmodified or "clean" opinion by the auditors. No evidence of fraud or illegal acts were noted in the course of the audit. In addition, the auditors presented a Power Point (copy is attached) which includes required communications by the auditor. Additional auditor reports include an internal control letter, negative assurance letters for bond indentures, NCPA's investment policy, and State Controller's Minimum Audit Requirements. Copies of these letters are attached to this report. Nothing of significance was noted in any of the letters.

FISCAL IMPACT:

This financial report for the years ended June 30, 2020 and 2019, which has no direct budget impact to NCPA, but merely reports on the fiscal impacts for the last fiscal year.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation was reviewed by the Finance Committee on October 13 and was recommended for Commission approval by a unanimous vote.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments:

- Financial Statements for the years ended June 30, 2020 and 2019
- Baker Tilly correspondence dated October 6, 2020
 - o Required communications by the Auditor to those charged with governance
 - o Compliance with Bond Indentures Letter
 - o Compliance with Investment Policy Letter
 - o Compliance with State Controller's Minimum Audit Requirements
- PowerPoint presented to Finance Committee by auditors on October 13, 2020



AND

ASSOCIATED POWER CORPORATIONS

Combined Financial Statements Including Independent Auditors' Report

As of and For the Years Ended June 30, 2020 and 2019

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Northern California Power Agency and Associated Power Corporations
Roseville, California

We have audited the accompanying combined financial statements of the Northern California Power Agency and Associated Power Corporations (the "Agency"), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the combined basic financial statements of the Agency as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Agency as of June 30, 2020 and 2019, and the respective changes in combined financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED)

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

The management of Northern California Power Agency (the Agency or NCPA) offers the following narrative discussion and analysis of its financial performance for the years ended June 30, 2020 and 2019. This discussion should be read in conjunction with the Agency's combined financial statements and accompanying notes, which follow this section.

BACKGROUND

The Northern California Power Agency is a joint powers agency formed by member public entities under the laws of the State of California to provide cost effective wholesale power, energy-related services, and advocacy on behalf of public power consumers. The Agency's purposes are for purchasing, generating, transmitting, and selling electrical energy and for providing other related services to its members and customers as each may require. The Agency provides a portion of certain of its members' power needs and certain of its members also self-provide and/or purchase power and transmission from other public and private sources.

NCPA is governed by a Commission comprised of one representative for each member. The Commission is responsible for the general management of the affairs, property, and business of the Agency. Under the direction of the General Manager, the staff of the Agency is responsible for providing various administrative, operating and planning services for the Agency.

The Agency's project construction and development programs have been individually financed by project revenue bonds that are collateralized by the Agency's assignment of all payments, revenues, and proceeds associated with its interest in each project. Each of the Agency's members may choose which projects it wishes to participate in, and is known as a "project participant" for each such project. Each project participant has agreed to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, or reduction or curtailment of output from the project for any reason (that is, the take-or-pay member agreements).

Power sales by the Agency to its members for their resale include both sales of power to project participants generated by operating plants and power purchased from outside sources. Collections for power sales are designed to recover costs that include budgeted annual operating costs and debt service. Additional amounts for operating reserves or cost stabilization may be included in collections under the terms of bond indentures. The Agency's collections for electric service are not subject to the regulatory jurisdiction of the California Public Utilities Commission (CPUC) or the Federal Energy Regulatory Commission (FERC). Rather, the Agency's collections are established annually in connection with its budget, which is approved by its governing Commission.

Various legal and tax considerations caused the Agency to provide that separate not-for-profit corporations should be delegated by the Agency to own the geothermal electrical generating projects undertaken by the Agency ("the Associated Power Corporations"). The Associated Power Corporations, consisting of Northern California Municipal Power Corporation Nos. Two and Three, have delegated to the Agency the authority to construct, operate, and manage their respective geothermal plants and related assets. The Agency, in return for financing the costs of acquisition and construction, acquires all the capacity and energy generated by the plants.

Because the Agency is a separate, special-purpose governmental entity that serves its participating members, who are also the Agency's principal customers, the net results of operations flow through to its participating members as either net revenues or net expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED)

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

FINANCIAL HIGHLIGHTS

The following is a summary of the Agency's combined financial position and results of operations for the years ended June 30, 2020, 2019, and 2018.

Condensed Statement of Net Position	June 30, (in thousands)		
	2020	2019	2018 (Restated)
Assets and Deferred Outflows of Resources			
Current assets	\$ 184,673	\$ 143,548	\$ 162,075
Non-current assets	148,482	169,127	147,738
Electric plant, net	474,821	502,479	531,337
Other assets	226,154	224,403	231,430
Total Assets	1,034,130	1,039,557	1,072,580
Deferred outflows of resources	101,256	112,427	123,280
	<u>\$ 1,135,386</u>	<u>\$ 1,151,984</u>	<u>\$ 1,195,860</u>

Liabilities, Deferred Inflows of Resources and Net Position			
Long-term debt, net	\$ 600,636	\$ 647,273	\$ 694,597
Current liabilities	118,860	103,344	95,389
Non-current liabilities	282,347	272,445	277,063
Total Liabilities	1,001,843	1,023,062	1,067,049
Deferred inflows of resources	93,152	90,546	90,743
Net position:			
Net investment in capital assets	(25,158)	(21,468)	(30,038)
Restricted	30,407	22,983	29,402
Unrestricted	35,142	36,861	38,704
	<u>\$ 1,135,386</u>	<u>\$ 1,151,984</u>	<u>\$ 1,195,860</u>

Condensed Statements of Revenues, Expenses and Changes in Net Position	Year ended June 30, (in thousands)		
	2020	2019	2018 (Restated)
Operating revenues	\$ 604,894	\$ 699,166	\$ 562,392
Operating expenses	(565,454)	(656,115)	(510,714)
Net operating revenues	39,440	43,051	51,678
Other expenses	(27,329)	(20,774)	(25,559)
Future refundable costs	2,201	(7,791)	(11,797)
Refunds to participants	(12,297)	(14,178)	(10,314)
Change in net position	2,015	308	4,008
Net position, beginning of year	38,376	38,068	34,060
Net position, end of year	<u>\$ 40,391</u>	<u>\$ 38,376</u>	<u>\$ 38,068</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED)

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

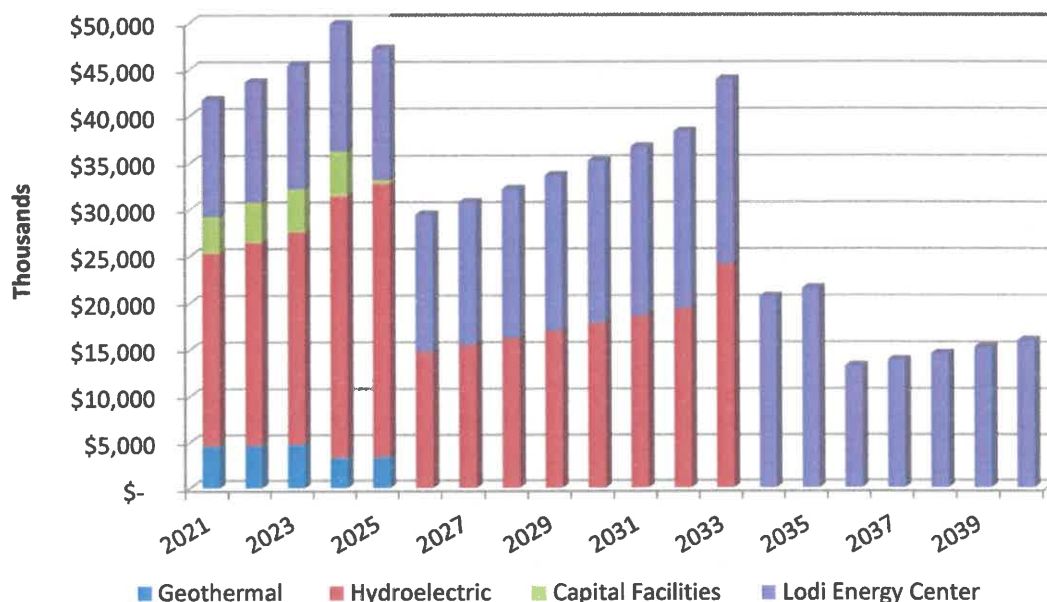
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Long-Term Debt, net

2020 Compared to 2019 - Long-term debt, net decreased \$46.6 million or 7.2% in 2020 as a result of scheduled principal payments of \$33.3 million, net premium amortization of \$3.5 million, and a net decrease of \$2.7 million related to the following refunding: Capital Facilities Revenue Bonds 2019 Refunding Series A that refunded the Capital Facilities Revenue Bonds 2010 Refunding Series A. The net decrease also includes a decrease for the net transfer of the current portion of long-term debt of \$7.1 million. For additional detail, refer to Note E - Projects and Related Financing.

2019 Compared to 2018 - Long-term debt, net decreased \$47.3 million or 6.8% in 2019 as a result of scheduled principal payments of \$42.3 million, net premium amortization of \$2.6 million, and a net decrease of \$11.4 million related to the following refunding: Hydroelectric Project One Revenue Bonds 2019 Refunding Series A that refunded the Hydroelectric Project One Revenue Bonds 2010 Refunding Series A. These decreases were offset by an increase for the net transfer of the current portion of long-term debt of \$9.0 million. For additional detail, refer to Note E - Projects and Related Financing.

The following table shows the Agency's scheduled annual debt service principal payments through FY 2040 as of June 30, 2020:

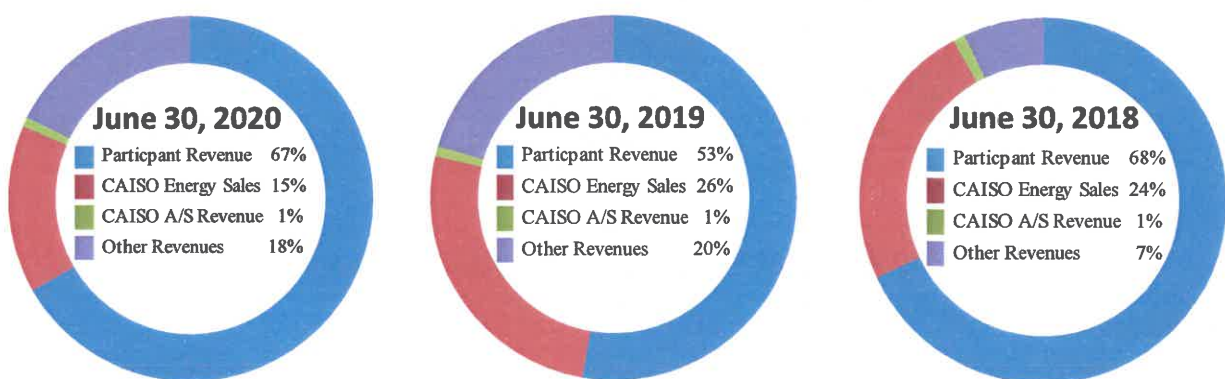


MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED)

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

2019 Compared to 2018 - Operating revenues for fiscal year 2019 were approximately \$136.8 million or 24.3% higher than in the prior fiscal year. This was the net result of the following: (1) revenue from non-members of \$67.1 million for their share of energy contracts and transmission costs, (2) higher overall plants' generation of 3,016,295 MWh versus 2,368,663 MWh in the prior year, and (2) higher collections for transmission costs due to increased generation.

OPERATING REVENUES BY SOURCES



Operating Expenses

2020 Compared to 2019 - Operating expenses were \$565.5 million in FY 2020, a decrease of \$90.7 million from FY 2019. Purchased power expense was \$74.5 million lower in 2020 primarily due to decreased energy purchased to fulfill energy requirements for member and non-member participants. Operations expense decreased \$28.2 million primarily due to decreased fuel usage for the LEC and water costs for Hydro (see Operating Revenues). Maintenance expenses were \$5.4 million higher than in FY 2020 primarily due to forced outages at LEC, CT1, Hydro and GEO resulting in higher plant maintenance costs. Additionally, the increase in transmission costs of \$4.1 million was due to increases in wheeling access charges.

2019 Compared to 2018 - Operating expenses were \$656.1 million in FY 2019, an increase of \$145.4 million from FY 2018. Purchased power expense was \$74.3 million higher in 2019 primarily due to increased energy purchased to fulfill energy requirements for member and non-member participants. Operations expense increased \$22.4 million primarily due to increased fuel usage for the LEC and water costs for Hydro (see Operating Revenues). Maintenance expenses were \$5.3 million higher than in FY 2019 due to increased plant maintenance project costs necessitated from increased generation. Additionally, the increase in transmission costs of \$43.4 million was due to increased generation from plants and from new non-member participants.

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED)

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

Ratings assigned to the Agency's outstanding project bonds as of June 30, 2020 are as follows:

Debt Credit Ratings:	Standard & Poor's	Fitch	Moody's
Geothermal	A- , stable	A+, stable	A1, stable
Hydroelectric	A+, stable	AA-, stable	Aa3, stable
Capital Facilities	A- , stable	Not rated	A1, stable
Lodi Energy Center (Issue One)	A- , stable	A, stable	A1, stable
Lodi Energy Center (Issue Two)	AAA, stable	Not rated	Aa2, stable

INVESTMENT IN ASSOCIATED COMPANY

Effective June 2018, the Agency invested a 20% interest in the not-for-profit corporation Hometown Connections, Inc. (HCI) for \$265,000. HCI is a national service corporation that provides consulting, management and metering services to public power utilities on a national level. HCI has contracted with the Agency to provide monthly accounting services. This investment is accounted for using the equity method of accounting.

SUMMARY

The management of the Agency is responsible for preparing the information in this management's discussion and analysis, combined financial statements and notes to the combined financial statements. Financial statements were prepared according to accounting principles generally accepted in the United States of America, and they fairly portray the Agency's financial position and operating results. The notes to the financial statements are an integral part of the basic financial statements and provide additional financial information.

CONTACTING AGENCY MANAGEMENT

This financial report is designed to provide our members, investors, and creditors with a general overview of Northern California Power Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Northern California Power Agency, 651 Commerce Drive, Roseville, CA 95678.

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	June 30,	
	2020	2019
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		
Restricted	\$ 27,103	\$ 22,004
Unrestricted	85,585	79,058
Investments		
Restricted	26,035	21,090
Unrestricted	23,512	6,601
Accounts receivable		
Participants	311	236
Other	13,212	2,629
Interest receivable	1,037	1,360
Inventory and supplies	5,924	8,891
Prepaid expenses	1,954	1,679
TOTAL CURRENT ASSETS	184,673	143,548
NON-CURRENT ASSETS		
Investments		
Restricted	9,680	16,668
Unrestricted	138,802	152,459
Electric plant in service	1,493,690	1,506,366
Less: accumulated depreciation	(1,018,869)	(1,004,069)
Construction work-in-progress	-	182
TOTAL NON-CURRENT ASSETS	623,303	671,606
OTHER ASSETS		
Regulatory assets	225,889	223,703
Preliminary survey and investigation costs	-	435
Investment in associated company	265	265
TOTAL OTHER ASSETS	226,154	224,403
TOTAL ASSETS	1,034,130	1,039,557
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	22,326	33,271
Pension and OPEB deferrals	16,936	17,055
Asset retirement obligations	61,994	62,101
TOTAL DEFERRED OUTFLOWS OF RESOURCES	101,256	112,427
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,135,386	\$ 1,151,984

**COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

**NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS**

	Years Ended June 30,	
	2020	2019
	(in thousands)	
OPERATING REVENUES		
Participants	\$ 408,120	\$ 369,885
Other Third-Party	196,774	329,281
TOTAL OPERATING REVENUES	604,894	699,166
OPERATING EXPENSES		
Purchased power	224,052	298,508
Operations	71,747	99,990
Transmission	184,747	180,633
Depreciation	30,958	30,844
Maintenance	32,203	26,836
Administrative and general	21,747	19,304
TOTAL OPERATING EXPENSES	565,454	656,115
NET OPERATING REVENUES	39,440	43,051
NON OPERATING (EXPENSES) REVENUES		
Interest expense	(39,385)	(39,291)
Interest income	8,668	10,447
Other	3,388	8,070
TOTAL NON OPERATING EXPENSES	(27,329)	(20,774)
FUTURE RECOVERABLE AMOUNTS	2,201	(7,791)
REFUNDS TO PARTICIPANTS	(12,297)	(14,178)
INCREASE IN NET POSITION	2,015	308
NET POSITION, Beginning of year	38,376	38,068
NET POSITION, End of year	\$ 40,391	\$ 38,376

COMBINED STATEMENTS OF CASH FLOW-Continued

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30,	
	2020	2019
	(in thousands)	
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 39,440	\$ 43,051
Adjustments to reconcile net operating revenues to net cash from operating activities:		
Depreciation	30,958	30,844
	70,398	73,895
CASH FLOWS IMPACTED BY CHANGES IN		
Accounts receivable	(4,109)	(118)
Inventory, prepaid expense, and unused vendor credits	2,692	748
Operating reserves and other deposits	4,582	979
Member advances	(387)	312
Regulatory credits	3,671	(2,804)
Accounts payable and other liabilities	11,266	16,867
NET CASH FROM OPERATING ACTIVITIES	\$ 88,113	\$ 89,879
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION		
Cash and cash equivalents - current assets	\$ 27,103	\$ 22,004
Cash and cash equivalents - restricted assets	85,585	79,058
End of year	\$ 112,688	\$ 101,062
NON-CASH TRANSACTIONS:		
Future recoverable/(refundable) costs	\$ 2,201	\$ (7,791)
Amortization	(7,767)	(6,218)
Interest rate swap change in fair value	4,355	3,504
Gain/loss on investments	45	(663)

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Custodial credit risk for cash deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 110% to 150% of the Agency's cash on deposit. All of the Agency's deposits are either insured by the Federal Depositary Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions.

Investments The Agency's investments are reported at fair value. Realized and unrealized gains and losses are included in interest income in the Statement of Revenue, Expenses and Changes in Net Position.

Accounts Receivable Accounts Receivable consists primarily of amounts due from participants and other governmental entities related to sales of energy and transmission. June 30, 2020 balance includes estimated insurance receivables of \$6.5 million for turbine replacement at Lodi Energy Center. Amounts are deemed to be collectible and as such, no allowance for uncollectible accounts has been recorded.

Inventory and Supplies Inventory and supplies consist primarily of spare parts for the maintenance of plant assets and are stated at average cost.

Restricted Assets Cash and cash equivalents, investments and related accrued interest, which are restricted under terms of certain agreements, trust indentures or laws and regulations limiting the use of such funds, are included in restricted assets. When NCPA has restricted assets for specific purposes, and restricted and unrestricted resources are available for use, it is NCPA's policy to use restricted resources first, then unrestricted resources as they are needed.

Electric Plant Electric plant in service is recorded at historical cost. The cost of additions, renewals and betterments are capitalized; repairs and minor replacements are charged to operating expenses as incurred. The original cost of property retired, net of removal and salvage costs, is charged to accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. The provision for depreciation was approximately 2.0% of the average electric plant in service for the Agency during both 2020 and 2019. Depreciation is calculated using the following estimated lives:

Generation and Transmission	25 to 42 years
General Plant	5 to 25 years
Furniture and Fixtures	10 years
Transportation Equipment	5 years
Computer and Electronic Equipment	5 years

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Construction Work-In-Progress Construction work-in-progress (CWIP) includes the capitalized cost of land, material, equipment, labor, interest (net of interest income), certain other financing costs incurred to facilitate the projects and an allocated portion of general and administrative expenses related to the development of electric plant. In addition, CWIP ultimately includes costs incurred prior to commencement of commercial operations during the test and start-up phase of projects.

Regulatory Assets/Credits In accordance with GASB Statement No. 62, the Agency has deferred certain items of expense and revenue that otherwise would have been charged to operations because it is probable that such items will be recovered in future years' operations. For items related to Net Pension and Other Post Employment Benefits (OPEB) Liabilities, the Agency expects to recover these items through participant collections using the actuarially calculated amounts due as represented in the respective annual and biennial actuarial valuation reports. For other regulatory items, the Agency expects to recover these items through participant collections over the term of the related debt obligations it has issued. On an ongoing basis, the Agency reviews its operations to determine the continued applicability of these deferrals under GASB Statement No. 62.

The items of expense that have been deferred are net pension and OPEB liabilities, asset retirement obligations and those originally paid from bond proceeds, including depreciation, certain bond amortizations, and interest paid from bond proceeds. These amounts are recorded to future recoverable amounts. Revenues used to acquire electric plant through debt issuance have also been deferred to future years. As of June 30, 2020 and 2019, the Agency had accumulated regulatory assets, net of regulatory credits, of approximately \$137,474,000 and \$138,959,000, respectively.

Investment in Associated Company Effective June 2018, the Agency invested \$265,000 (20% interest) into Hometown Connections Inc. (a not-for-profit corporation) (HCI). HCI is a national service corporation that provides consulting, management and metering services to public power utilities on a national level. This investment is accounted for using the equity method of accounting.

Debt Related Costs Debt issuance costs are expensed as incurred. Excess costs on refunding of bonds are considered deferred outflows of resources as prescribed by GASB Statement No. 65 and amortized over the life of the refunding bonds, or the life of the refunded bonds, whichever is shorter. Amortization is computed using the effective interest method and included in interest expense.

Compensated Absences Accumulated unpaid compensated absences are accrued as the obligation is incurred. Compensated absences are included in accounts payable and accrued expenses.

Pensions For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Agency's CalPERS plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post Employment Benefits (OPEB) For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB and OPEB expenses, information about the fiduciary net position of the Agency's California Employers' Retirement Benefit Trust (CERBT) Fund and additions to/deductions from Fund's fiduciary net position have been determined on the same basis as they are reported by CalPERS, the trust administrator. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Changes in long-term operating reserves for the year ended June 30, 2019, are as follows:

	Balance at July 1, 2018	Increases	Decreases	Balance at June 30, 2019
	(in thousands)			
General Operating Reserve	\$ 70,816	\$ 9,536	\$ 5,119	\$ 75,233
CRR Collateral & SC Balancing Account	27,180	3,387	983	29,584
Capital Development Reserve	17,089	2,592	4,710	14,971
Power Management Service	7,312	395	4,759	2,948
Transmission Upgrade & GHG Allowances	2,342	3,648	3,675	2,315
Special Fund Reserve	1,500	-	-	1,500
	<u>\$ 126,239</u>	<u>\$ 19,558</u>	<u>\$ 19,246</u>	<u>\$ 126,551</u>

Rates Power sales to participants for their resale include both power generated by operating plants and power purchased from outside sources. Collection rates for power sales are designed to recover costs that include budgeted annual operating costs and debt service. Additional amounts for operating reserves or rate stabilization may be included in collection rates under the terms of bond indentures. During fiscal years 2020 and 2019, no amounts were specifically collected for rate stabilization.

The Agency's collection rates for electric service are not subject to the regulatory jurisdiction of the California Public Utilities Commission (CPUC) or FERC. Rather, the Agency's rates are established annually in connection with its budget, which is approved by its governing Commission.

Power, Transmission and Fuel Forward Transactions In the normal course of its business, the Agency is required to manage loads, resources, and energy price risk on behalf of its members. Consequently, the Agency buys and sells power, transmission, and fuel in wholesale markets as required. The Agency does not enter into such agreements solely for trading purposes. All such transactions are normal purchases and sales subject to settlement at the agreed to contract prices for quantities delivered. While authorized to transact forward purchase contracts for terms of up to five years, forward contract purchases at fiscal year ended June 30, 2020 were for periods not greater than four years duration beyond the current fiscal year. In the event of default, undelivered transactions are required to be marked-to-market subject to the following limitations. If the Agency, as buyer, is the defaulting entity, the Agency's termination settlement amount is capped at the agreed to contract cost for all future undelivered commodities. If the selling counterparty is the defaulting entity, the seller's termination settlement is not capped for all future undelivered commodities. The defaulting entity is also subject to resultant transmission charges, brokerage fees, attorney fees, and all other reasonable expenses. See Note I - Commitments and Contingencies, Power Purchase Contracts.

Fair Values of Financial Instruments The following methods and assumptions were used by the Agency in estimating its fair value disclosures for financial instruments:

Cash and Cash Equivalents - The carrying amount reported in the statements of net position for cash and cash equivalents approximates its fair value.

Investments - The fair values for investments are based on quoted market prices and significant other observable inputs. See Note D – Fair Value Measurement.

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In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for financial statements for years beginning after June 15, 2018. This statement requires governments to recognize a liability for legal obligations to perform future asset retirement activities related to tangible capital assets.

Accounting Pronouncements Effective in Future Fiscal Years

- **GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement originally is effective for the periods beginning after December 15, 2018, or fiscal year 2020. GASB 95 postponed implementation to periods beginning after December 15, 2019 or fiscal year 2021. The Agency has not determined the effect of the statement.
- **GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of the Statement is to recognize in the Financial Statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement originally is effective for the periods beginning after December 15, 2019, or the fiscal year 2021. GASB 95 postponed implementation to periods beginning after June 15, 2021 or fiscal year 2022. The Agency has not determined the effect of the statement.
- **GASB Statement No. 89** – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of the Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The Statement originally is effective for the periods beginning after December 15, 2019, or fiscal year 2021. GASB 95 postponed implementation to periods beginning after December 15, 2020 or fiscal year 2022. The Agency has not determined the effect of the statement.
- **GASB Statement No. 90** – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest*. The objective of the Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement originally is effective for the periods beginning after December 15, 2018, or fiscal year 2020. GASB 95 postponed implementation to periods beginning after December 15, 2020 or fiscal year 2022. The Agency has not determined the effect of the statement.
- **GASB Statement No. 91** – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of the Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement originally is effective for the periods beginning after December 15, 2020, or fiscal year 2022. GASB 95 postponed implementation to periods beginning after December 15, 2020 or fiscal year 2022. The Agency has not determined the effect of the statement.

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- **GASB Statement No. 97** – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Suppression of GASB Statement No. 32*. The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units, (2) mitigate costs associated with the reporting of certain fiduciary component units in fiduciary fund financial statements, and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The Statement is effective for the periods beginning after June 15, 2021, or fiscal year 2022. The Agency has not determined the effect of the statement.

Use of Estimates in the Preparation of Financial Statements The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications had no effect on net position.

NOTE C -- INVESTMENTS

The Agency is authorized to invest in obligations of the U.S. Government and its agencies and instrumentalities, in certificates of deposit, commercial paper, banker's acceptances, repurchase agreements, passbook savings account demand deposits, municipal bonds, the State Treasurer's LAIF pool, mid-term corporate notes, and in other instruments authorized by applicable sections of the Government Code of the State of California. The Agency's investments are stated at fair value.

The Agency's investment policy requires investments that assure safety of the principal, liquidity to meet specific obligations of the Agency when due, and investment quality all in compliance with California State law and the Agency's revenue bond indentures. Generally, operating and reserve funds' investment maturities are limited to one and five years, except for Geothermal Decommissioning Reserve and debt service reserve funds, which are allowed maturities up to ten years and fifteen years, respectively.

All securities owned by, or held on behalf of, the Agency are held by either the Agency's custodian, Union Bank of California, N.A., or its revenue bond trustee, U.S. Bank Trust, N.A.

The Agency's investment policy includes restrictions for investments relating to maximum amounts invested as a percentage of the portfolio and with a single issuer, maximum maturities, and minimum credit ratings.

Credit Risk To mitigate the risk that an issuer will not fulfill its obligation to the investment, the Agency limits investments in non-federally secured instruments to those rated, at a minimum, "A" rating category or equivalent for long/medium term notes by a nationally recognized statistical rating organization. Investments in municipal bonds, corporate bonds, and certificates of deposit are limited to the top three ratings issued by nationally recognized statistical rating organizations and all investments must be investment grade. Credit rating ranges and minimum rating requirements for the Agency's investments as of June 30, 2020 are listed below:

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Concentration of Credit Risk, June 30, 2019

Issuer:	Investment Type	Reported Amount	Percentage of Portfolio
		(in thousands)	
Federal National Mortgage Association	Federal Agency	\$ 16,189	8.2%
Federal Home Loan Mortgage Corp.	Federal Agency	35,728	18.2%
Federal Farm Credit Bank	Federal Agency	31,208	15.9%
Federal Home Loan Bank	Federal Agency	48,929	24.9%

Interest Rate Risk Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. The Agency manages its exposure to interest rate risk by following a hold-to-maturity investment approach for some investments, purchasing a combination of shorter and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. In addition, the Agency periodically rebalances larger fund portfolios to maintain the appropriate rate of return through market cycles; such rebalances are performed only in instances when the result of the rebalance transaction is a net gain.

The following tables reflect the carrying and fair values and the weighted average maturity in years for the Agency's investment portfolios for fiscal years ended June 30, 2020 and 2019, respectively.

Investments at June 30, 2020

Description	Carrying Value	Fair Value	Wtd. Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	\$ 97,420	\$ 98,085	2.29
U.S. Treasury	5,175	5,207	0.50
Municipal Bonds	15,161	15,293	2.88
Corporate Bonds	74,662	77,843	2.67
Certificates of Deposit	1,500	1,601	2.37
TOTAL INVESTMENTS	\$ 193,918	\$ 198,029	

Investments at June 30, 2019

Description	Carrying Value	Fair Value	Wtd. Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	\$ 132,128	\$ 132,054	2.34
U.S. Treasury	2,323	2,325	0.17
Corporate Bonds	60,984	62,439	3.29
TOTAL INVESTMENTS	\$ 195,435	\$ 196,818	

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AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

The Agency has the following fair value measurements as of June 30, 2020:

		Fair Value Using		
	June 30, 2020	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Agencies	\$ 98,085	\$ 34,678	\$ 63,407	\$ -
U.S. Treasury	5,207	5,207	-	-
Municipal Bonds	15,293	-	15,293	-
Corporate Bonds	77,843	-	77,843	-
Certificates of Deposit	1,601	-	1,601	-
Total debt securities	198,029	39,885	158,144	-
Total investments by fair value level	\$ 198,029	\$ 39,885	\$ 158,144	\$ -
Derivative Instruments by fair value level				
Swap liability instruments	\$ (18,968)	\$ -	\$ (18,968)	\$ -
Total Derivative Instruments by fair value level	\$ (18,968)	\$ -	\$ (18,968)	\$ -

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NOTE E -- PROJECTS AND RELATED FINANCING

Financing Programs The Agency's project construction and development programs have been individually financed by project revenue bonds that are collateralized by the Agency's assignment of all payments, revenues, and proceeds associated with its interest in each project. Each project participant is responsible to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, reduction or curtailment of output from the project for any reason (that is, the take-or-pay member agreements). The project sales agreements also require project participants to step up their respective obligations in the event of a default by another project participant.

	Balance July 1, 2019	Additions	Retirements (in thousands)	Balance June 30, 2020	Current Portion
Geothermal Project					
2009 Series A - Original Issue Amount \$35,610 Serial, 4.00-5.50% through 2025	\$ 2,675	\$ -	\$ 2,675	\$ -	\$ -
2012 Series A - Original Issue Amount \$12,910 Term, 2.289% due 2023	4,945	-	1,375	3,570	1,405
2016 Series A - Original Issue Amount \$17,530 Term, 1.670% due 2024	16,900	-	370	16,530	3,190
Total Geothermal Project	24,520	-	4,420	20,100	4,595
Hydroelectric Project					
2008 Refunding Series A - Original Issue Amount \$85,160 Term, adjustable rate-weekly reset, due 2033	85,160	-	1,520	83,640	2,165
2012 Refunding Series A - Original Issue Amount \$76,665 Serial, 5.00% through 2033	76,665	-	-	76,665	-
2012 Refunding Series B - Original Issue Amount \$7,120 Serial, 4.32% through 2025	7,120	-	-	7,120	-
2018 Refunding Series A - Original Issue Amount \$68,875 Serial, 5.00% through 2025	68,875	-	8,885	59,990	10,730
2018 Refunding Series B - Original Issue Amount \$1,340 Serial, 4.32% through 2025	1,340	-	1,340	-	-
2019 Refunding Series A - Original Issue Amount \$39,250 Serial, 4.00-5.00% through 2025	39,250	-	940	38,310	7,830
Add: Unamortized Premium, net	16,528	-	2,815	13,713	-
Total Hydroelectric Project	\$ 294,938	\$ -	\$ 15,500	\$ 279,438	\$20,725

NOTES TO COMBINED FINANCIAL STATEMENTS

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Debt service requirements for each of the next five years and in five-year cumulative increments thereafter as of June 30, 2020:

	Revenue Bonds		Notes from Direct Placements		Total
	Principal	Interest	Principal	Interest	
	(in thousands)				
2021	\$ 28,665	\$ 34,187	\$ 11,745	\$ 1,199	\$ 75,796
2022	31,395	32,273	12,005	951	76,624
2023	32,990	30,320	11,505	698	75,513
2024	38,705	28,157	11,005	464	78,331
2025	40,400	26,159	11,250	235	78,044
2026-2030	161,425	101,825	-	-	263,250
2031-2035	161,295	52,877	-	-	214,172
2036-2040	72,940	16,493	-	-	89,433
Add: Unamortized Bond Premium	15,721	-	-	-	15,721
	\$ 583,536	\$ 322,291	\$ 57,510	\$ 3,547	\$ 966,884

Interest includes interest requirements for fixed rate debt at their stated rate and variable rate debt covered by interest rate swaps at their fixed swap rate.

Changes in long-term debt obligations for the year ended June 30, 2020, are as follows:

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020	Due Within One Year
	(in thousands)				
Revenue bonds	\$ 603,790	\$ 20,450	\$ 56,425	\$ 567,815	\$ 28,665
Notes from direct placements	59,875	-	2,365	57,510	11,745
Add: Unamortized Premium, net	16,948	2,288	3,515	15,721	-
Total	\$ 680,613	\$ 22,738	\$ 62,305	\$ 641,046	\$ 40,410

The Agency's outstanding notes from direct placements of \$57,510,000 contain provisions that in an event of default, outstanding amounts become immediately due if (1) the Agency is unable to pay the principal or interest when due, (2) files bankruptcy or becomes insolvent, or (3) S&P issues a downgrade below "BBB-."

The Agency's outstanding revenue bonds of \$567,815,000 contain provisions that in the event of a participant default, the project entitlement percentage of each non-defaulting project participant will increase on a prorated basis up to a maximum of 25% for Hydroelectric, Geothermal and Capital Facilities projects and 35% for Lodi Energy Center project.

Redemption Provisions As set forth in the bond indentures, the term bonds are subject to redemption prior to maturity in varying amounts at specific dates. At the option of the Agency, the bonds are also subject to early redemption at specific redemption prices and dates.

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Geothermal Project In addition to a federal geothermal leasehold, steam wells, gathering system and related facilities, the project consists of two electric generating stations (Plant 1 and Plant 2) with combined 165 MW (nameplate rating) turbine generator units utilizing low temperature geothermal steam; associated electrical, mechanical and control facilities; a heat dissipation system; a steam gathering system, a transmission tap-line, and other related facilities. Geothermal steam for the project is derived from the geothermal property, which includes well pads, access roads, steam wells and re-injection wells.

Hydroelectric Project The Agency contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, the Agency has the right to the electric output of the project for 50 years from February 1982. The Agency also has an option to purchase power from the project in excess of the District's requirements for the subsequent Federal Energy Regulatory Commission project license term of 30 to 50 years.

As part of a refinancing plan in November 2004, the Agency entered into two forward starting interest rate swaps in an initial notional amount of \$85,160,000 and \$1,574,000. Payments under the swap agreements with Citigroup Financial Products, Inc. began on April 2, 2008. To complete the refinancing transaction and realize the debt service savings under the 2004 swap agreement, on April 2, 2008 the Agency completed a bond refunding of 2023 to 2032 maturities of the 1998 Hydroelectric Refunding Series A bonds. These fixed rate bonds were refinanced through the issuance of tax-exempt 2008 Hydroelectric Refunding Series A (\$85,160,000) bonds and taxable 2008 Hydroelectric Refunding Series B (\$3,165,000) bonds. Both issues were variable interest rate bonds bearing interest at weekly interest rates, payable semi-annually on July 1 and January 1 each year.

To support this financing, the Agency entered into two irrevocable direct pay letter of credit agreements with Citibank that have since expired, being substituted with letters of credit with the Bank of Montreal in 2014. On April 30, 2019, the Agency terminated the 2008 Hydroelectric, Series B swap with Citigroup, and on May 14, the outstanding principal of \$910,000 on the 2008 Hydroelectric, Series B bonds was called for redemption. On June 24, 2019 the agency completed a Letter of Credit substitution for the 2008 Hydroelectric, Series A bonds replacing the Bank of Montreal with Bank of America. The Letter of Credit expires on June 21, 2024.

The payment of principal and interest on the outstanding 2008 Hydroelectric Refunding Series A (\$85,160,000) bonds are not covered by any financial guaranty insurance policies. This 2008 Hydroelectric Refunding and the associated interest rate swaps are estimated to have reduced project debt service by \$11.8 million over the life of the debt providing the Agency with an estimated economic gain (difference between the present values of the old and new debt service payments) of approximately \$5.9 million.

The remaining swap for the 2008 Hydroelectric Refunding Series A (\$85,160,000) is a separate pay-fixed, receive-variable interest rate swap to produce savings or to result in lower costs over the life of the transaction than what the Agency would have paid using fixed-rate debt. While the swap is a derivative instrument and carries additional risks, the Agency's swap policy and favorable negotiations have helped to reduce such risks.

**NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS**

Changes in interest rate swap liability for the year ended June 30, 2019, are as follows:

The total fair value of outstanding swap instruments was a net liability of \$18,968,000 and \$14,613,000 at June 30, 2020 and June 30, 2019, respectively. These amounts are reported as a non-current liability. The interest rate swaps beginning in FY 2013 are both ineffective hedges and considered investment derivative instruments. The change in fair value was \$4.4 million and \$3.5 million for years ended June 30, 2020 and 2019, respectively and are recorded as interest expense in the Statement of Revenues, Expenses, and Changes in Net Position. The net settlement payments of interest on these investment derivative instruments total \$2.0 million and \$1.6 million, which is recorded as interest expense in the Statement of Revenues, Expenses, and Changes in Net Position for FY 2020 and FY 2019, respectively. The value of the swaps noted above reflects the estimated fair value of the swaps at June 30, 2020 and 2019 as determined by the Agency's financial advisor. The fair value of the swaps will change due to notional amount, amortizations, and interest rate changes.

The interest rate swap exposes the Agency to basis risk should the relationship between LIBOR and SIFMA converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized. The Agency is exposed to interest rate risk on its pay-fixed, receive variable interest rate swaps. Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Agency's financial instruments or cash flows. As the LIBOR or SIFMA swap index decreases, the Agency's net payment on swaps increases. In addition, the Agency is exposed to interest rate risk if the counterparty to the swap defaults or if the swap is terminated. The Agency is also exposed to market access risk, the risk that it will not be able to enter credit markets or that credit will become more costly. The Agency's financial rating is tied to the credit strength of the major participants of the specific project for which each financial instrument is issued. The Agency is also exposed to market access risks caused by disruptions in the municipal bond market.

To mitigate the potential for credit risk, the swap counterparties are required by the agreement to post collateral should the fair value exceed certain thresholds as shown above. At June 30, 2020, credit ratings of the counterparties to the swaps were as follows:

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Geothermal Plant Decommissioning

The Agency developed the geothermal project (the "Geothermal Project") located on federal land in certain areas of Sonoma and Lake Counties, California (the "Geysers Area"). In addition to the geothermal leasehold, wells, gathering system and related facilities, the Geothermal Project consists of two electric generating stations (Plant 1 and Plant 2), with combined 165 MW (nameplate rating) turbine generator units utilizing low pressure, low temperature geothermal steam, associated electrical, mechanical and control facilities, a heat dissipation system, a steam gathering system, a transmission tapline and other related facilities. Geothermal steam for the project is derived from the geothermal property, which includes wellpads, access roads, steam wells and reinjection wells.

Steam for NCPA's geothermal plants comes from lands in the Geysers Area, which are leased by NCPA from the federal government. NCPA operates these steam-supply areas. Operation of the geothermal plants at high generation levels, together with high steam usage by others in the same area, resulted in a decline in the steam production from the steam wells at a rate greater than expected. As a result, NCPA partnered with other geothermal operators in the Geysers Area to finance and construct the Southeast Geysers Effluent Pipeline Project, which was completed in September 1997 and began operating soon thereafter. With the reduced rate of steam production decline, the useful life of the plant and associated tangible assets is projected through fiscal year 2059.

Under terms of the federal geothermal leasehold agreements, which became effective August 1, 1974, the leasehold had a 10-year primary term with provision for renewal as long thereafter as geothermal steam is produced or utilized, but not longer than 40 years. At the expiration of that period, if geothermal steam was still being produced, NCPA had a preferential right to renew the leasehold for a second term. In 2013, NCPA renewed the leasehold. The leasehold also requires NCPA to remove its leasehold improvements including the geothermal plants and steam gathering system when and if NCPA abandons the leasehold. Additionally, the United States Department of the Interior and Bureau of Land Management State issued the License for Electric Power Plant Site Utilizing Geothermal Resources. The license requires that NCPA remove all structures, machinery, and other equipment and restore the land within one year following the termination of the license.

The Agency authorized a decommissioning study for the Geothermal Project, and Black and Veatch provided that study to NCPA in December 2016. The study included detailed cost estimates totaling approximately \$59.3 million (figures compiled prior to fiscal year 2016) for all retirement obligation activities. The study also projected the costs through 2020 using an Extrapolation Escalation Methodology for the following categories: 1) direct labor and subcontract costs less salvage value; 2) indirect costs; 3) construction equipment; 4) engineering and construction management; 5) and contingency. NCPA personnel then calculated the effective change between the escalated 2016 base and 2020 escalated costs to develop a composite escalation rate and assumed that the escalation rate was applicable evenly for each of the five years beginning in 2016; the resulting calculated annual escalation factor was 2.26%. The estimated retirement obligation costs for years ended June 30, 2020 and 2019 are \$66,285,000 and \$64,820,000, respectively. The annual retirement expense for years ended June 30, 2020 and 2019 are \$1,580,795 and \$1,544,165, respectively.

NCPA has been collecting monies to pay the expected decommissioning costs since 2007 and holds \$22.5 million in a designated reserve for such purpose as of June 30, 2020. The initial ARO recognition included a reclassification of that reserve from a liability to the members to a deferred inflow that will be reduced as the decommissioning costs are funded in the future.

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The estimated retirement obligation costs for the LEC well plugging is \$182,773 with an annual retirement obligation expense of \$7,975 for year ended June 30, 2020. The estimated retirement obligation costs for the LEC well plugging is \$178,173 with an annual retirement obligation expense of \$7,756 for year ended June 30, 2019. The estimated retirement obligation costs for the Capital Facilities Project well plugging is \$160,579 with an annual retirement obligation expense of \$7,006 for year ended June 30, 2020. The estimated retirement obligation costs for the Capital Facilities Project well plugging is \$156,538 with an annual retirement obligation expense of \$6,814 for year ended June 30, 2019.

Currently there are no assets restricted for payment of the injection well closures. To meet the legally required funding and assurance provisions of the injection well closures, NCPA files with the EPA annually. This filing includes a financial test to demonstrate financial assurance, as specified in subpart F of 40 CFR part 144.

NOTE G -- RETIREMENT PLAN

General Information about the Pension Plans

Plan Descriptions The Agency provides a defined benefit retirement plan to all eligible employees under the Public Employees' Retirement System (PERS). The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. In 2012, the Public Employees' Pension Reform Act (PEPRA) become law that implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member under PEPRA. Employees hired prior to January 1, 2013, and those new employees not meeting the PEPRA definition of new member, are considered classic members.

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Net Pension Liability - The Agency's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured at prior year end, using annual actuarial valuations as of the previous year end and rolled forward to the measurement date, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities as of June 30, 2020 and 2019 were determined using the following actuarial assumptions:

	2020	2019
Valuation Date	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	2.75%-8.50% (1)	2.75%-8.50% (1)
Investment Rate of Return	7.375% (2)	7.5% (2)
Mortality	(3)	(3)

(1) Depending on age and service.

(2) Net of pension plan investment expenses, including inflation.

(3) Derived using CalPERS' specific membership data with projected on-going mortality improvement using Scale BB published by the Society of Actuaries.

Discount Rate The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.30%. For the measurement year ended June 30, 2018 and 2017, using this lower discount rate resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

For measurement period ending June 30, 2019:

Asset Class	Strategic Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global Equity	50.00%	4.80%	5.98%
Private Equity	8.00%	6.30%	7.23%
Fixed Income	28.00%	1.00%	2.62%
Liquidity	1.00%	0.00%	-0.92%
Real Estate	13.00%	3.75%	4.93%
Inflation Assets	0.00%	0.77%	1.81%
Other	0.00%	0.00%	0.00%

¹ An expected inflation of 2.0% used for this period

² An expected inflation of 2.9% used for this period

For measurement period ending June 30, 2018:

Asset Class	Strategic Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global Equity	49.00%	4.80%	5.98%
Private Equity	8.00%	6.30%	7.23%
Fixed Income	22.00%	1.00%	2.62%
Liquidity	3.00%	0.00%	-0.92%
Real Estate	12.00%	3.75%	4.93%
Inflation Assets	6.00%	0.77%	1.81%
Other	0.00%	0.00%	0.00%

³ An expected inflation of 2.0% used for this period

⁴ An expected inflation of 2.9% used for this period

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Description	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	\$ 158,591,178	\$ 90,091,516	\$ 68,499,662
Service cost incurred	3,511,108	-	3,511,108
Interest on total pension liability	10,837,217	-	10,837,217
Differences between actual and expected experience	(324,038)	-	(324,038)
Change in assumption	(4,902,279)	-	(4,902,279)
Change in benefits	-	-	-
Net Plan to Plan Resource Movement	-	(226)	226
Contributions – employer	-	7,769,425	(7,769,425)
Contributions – employee	-	1,532,206	(1,532,206)
Net investment income	-	7,654,116	(7,654,116)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(7,101,870)	(7,101,870)	-
Administrative expense	-	(140,387)	140,387
Other Miscellaneous Income/(Expense)	-	(266,598)	266,598
Net changes	2,020,138	9,446,666	(7,426,528)
Balance at June 30, 2019	\$ 160,611,316	\$ 99,538,182	\$ 61,073,134

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15% for 2020 and 6.15% for 2019) or 1-percentage point higher (8.15% for 2020 and 8.15% for 2019) than the current rate:

2020	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 82,947,879	\$ 60,981,487	\$ 42,702,182

2019	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 82,076,995	\$ 61,073,134	\$ 43,589,609

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

For reporting year ended June 30, 2020, amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2020	\$ 1,289,113
2021	(1,544,350)
2022	209,180
2023	128,244
2024	-
Thereafter	-
Total	<u>\$ 82,187</u>

Payable to the Pension Plan At June 30, 2020 and 2019 the Agency did not have an outstanding amount of contributions payable to the pension plan required for the years ended.

NOTE H -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

The Agency contracts with the CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA) for employee medical insurance. In connection with this plan, the Agency provides medical insurance to all active employees and their families, as well as all qualified retirees (and spouses), subject to certain limitations. The Agency has maintained an actuarially based restricted fund for the sole purpose of paying medical insurance premiums for qualified retired employees (and spouses) participating in the CalPERS medical plan. In 2007, the Agency became a participant in the CalPERS California Employers' Retiree Benefit Trust (CERBT), a pre-funding OPEB plan, which is an irrevocable multi-employer trust and plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions. CalPERS issues publicly available reports that include the net changes in Fiduciary Net Position by Employer that can be found on the CalPERS website.

The Agency makes its Actuarially Determined Contribution (ADC) to this OPEB plan annually. The ADC represents the service cost plus an amortized amount of net OPEB liabilities (NOL). The amortization of NOL is based on a 30 year level dollar amount on a "closed" basis. There are 25 years remaining as of the measurement date of June 30, 2018.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

To mitigate the growing OPEB unfunded accrued liability, the Agency implemented a Long-Term Funding Plan for the NCPA Retiree Medical Plan which includes: 1) establish a goal to obtain a minimum funding level of 80% within 15 years and confirm the policy of funding 100% or more of the ARC each year; 2) reduce actuarial liability by developing a cap for health care premiums going forward; 3) shorten the amortization period used in the actuarial calculations from 28 years to 15 years; 4) consider additional funding sources for increased funding of the ARC, including further budget reductions or new revenues (from members or new services/customers); and 5) conduct new actuarial studies on a biennial basis as required and review the updated results with the Finance Committee, who will make recommendations for revision to the Commission as needed.

The Agency has a budget policy that mandates an annual reconciliation of budgeted versus actual OPEB costs. The policy requires that positive budget variances are contributed as payments against the unfunded liability at fiscal year end. Additionally, effective 1/1/2019, NCPA created a third tier level for OPEB for employees hired after that date. Employees in tier three are eligible for Agency payment of 100% of the CalPERS Kaiser Senior Advantage rate for Sacramento area (Region 1); Tier 1 and Tier 2 employees are eligible for Agency payment of 90% of the CalPERS Kaiser Family Rate for Sacramento area. The change will be included in the fiscal year 2020 actuarial valuation update and has no impact to fiscal year 2019 and will reduce NCPA's OPEB liability on a going forward basis as the Agency hires future employees.

Net OPEB Liability The Agency's net liability for the OPEB Plan is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability of the Plan is measured at prior year end, using annual actuarial valuations as of the previous year end and rolled forward to the measurement date, using standard update procedures. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

For measurement period ending June 30, 2019:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	59.00%	8.15%
US Fixed Income	25.00%	6.38%
Treasury Inflation-Protected Securities	5.00%	3.72%
Real Estate Investment Trusts	8.00%	7.77%
Commodities	3.00%	5.32%

For measurement period ending June 30, 2018:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.00%	7.92%
US Fixed Income	27.00%	6.83%
Treasury Inflation-Protected Securities	5.00%	3.95%
Real Estate Investment Trusts	8.00%	7.56%
Commodities	3.00%	5.47%

Changes in the Net OPEB Liability

Description	Total Pension Liability	Increase/(Decrease) Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	\$ 36,314,217	\$ 31,261,362	\$ 5,052,855
Service cost incurred	1,036,513	-	1,036,513
Interest on total OPEB liability	2,456,709	-	2,456,709
Differences between actual and expected experience	(873,781)	-	(873,781)
Change in assumption	450,018	-	450,018
Change in benefits	-	-	-
Contributions – employer	-	4,094,854	(4,094,854)
Contributions – employee	-	-	-
Net investment income	-	2,012,435	(2,012,435)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(1,941,780)	(1,941,780)	-
Administrative expense	-	(6,837)	6,837
Net changes	1,127,679	4,158,672	(3,030,993)
Balance at June 30, 2020	\$ 37,441,896	\$ 35,420,034	\$ 2,021,862

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Costs Trend Rate – 1%	Current Healthcare Costs Trend Rate	Healthcare Costs Trend Rate + 1%
2020			
Plan's Net OPEB Liability	\$ (2,089,383)	\$ 2,021,862	\$ 7,081,920
	Healthcare Costs Trend Rate – 1%	Current Healthcare Costs Trend Rate	Healthcare Costs Trend Rate + 1%
2019			
Plan's Net OPEB Liability	\$ 1,345,813	\$ 5,052,855	\$ 9,688,171

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ending June 30, 2020 and 2019, the Agency incurred OPEB expense of \$1,057,789 and \$1,234,406, respectively. At June 30, 2020 and 2018, the Agency has deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

2020	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 3,911,488	\$ -
Differences between actual and expected experience	-	(699,025)
Changes in consumption	360,014	-
Net differences between projected and actual earnings on plan investments	135,168	(470,075)
Total	\$ 4,406,670	\$ (1,169,100)
2019	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 3,674,502	\$ -
Changes in assumptions	-	-
Differences between actual and expected experience	-	-
Net differences between projected and actual earnings on plan investments	-	(679,990)
Total	\$ 3,674,502	\$ (679,990)

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Fuel Supply Agreements The Agency has entered into the following agreements to provide natural gas fuel supply for use in its generation resources:

- A 30-year agreement terminating in October 2023 with various natural gas pipeline management companies under which the Agency has acquired firm natural gas pipeline transportation capacity in four separate natural gas pipelines between Alberta, Canada and northern California. The estimated minimum annual natural gas transmission commitment is approximately \$672,000. The Agency's firm natural gas pipeline transportation capacity is scheduled by Mercuria Energy Gas Trading, LLC (Mercuria) pursuant to the term and conditions of an Asset Management Agreement for Pipeline Transportation Capacity that became effective on January 1, 2015.
- On behalf of the participants in the Combustion Turbine Project Number One and the Capital Facilities project, the Agency entered into an agreement with EDF Trading North America, LLC (EDF) effective January 1, 2013 to provide natural gas supply and scheduling, nomination, balancing and settlement services. The contract automatically renews each year on January 1, unless terminated earlier by six-months written notice by either party.
- The Agency had approximately \$5.4 million of gas purchase commitments at June 30, 2020. The commitments, extending through December 2022, are normal purchases at agreed to prices for fixed quantities of gas.

Western Area Power Administration Base Resource A number of the Agency's members, who had an aggregate 18.87957% of the Base Resource Contract with the Western Area Power Administration to receive electric power from the Central Valley Project in California, have assigned their shares to the Agency in order to create a power resource portfolio for the mutual benefit of participating Agency members. The assignments terminate the earlier of December 31, 2024 or 60 days after Western approves a reassignment.

Geothermal Royalties Under terms of federal geothermal leasehold agreements, the Agency is required to pay royalties to the United States (U.S.) on the value of geothermal steam produced. Currently, the effective rate of such royalties is 3.6% of an amount based on the Agency's monthly weighted average cost of third-party wholesale electricity purchases made by Agency members participating in the Geothermal Project. The U.S. Department of the Interior, Office of Natural Resources Revenue maintains the right to periodically review and withdraw their approval or to change this methodology should operations, market conditions, or Federal regulations change.

CLAIMS AND LITIGATION

California Energy Crisis During 2000 and 2001, California experienced extreme fluctuations in the prices and supplies of natural gas and electricity in much of the State. While there has been progress in addressing these issues, uncertainty remains. As a result, no assurance can be given that measures undertaken, together with measures to be taken in the future, will prevent the recurrence of shortages, price volatility or other energy problems that have adversely affected California electric utilities in the past. The Agency has settled with the plaintiffs in related litigation, and while the settlement has been approved by FERC, there are still some claims by others that remain ongoing. Although the Agency considers these claims to be lacking in merit, no assurance thereof can be given until all proceedings are finally concluded.

The California Parties have completed the process of reconciling the amounts recorded on the ISO and PX books with all the settlements entered into by the California Parties (including the settlement with NCPA). In their April 22, 2020 filing, the California Parties asserted that no adjustments were needed for NCPA to account for the differences between the interest owed and interest actually collected on certain escrow accounts. FERC has not yet issued an order accepting the California Parties' April filing.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

During the period of January 3-12, 2017, severe winter storms caused flooding and mudslides in many California Counties. As a result of those storms, the Beaver Creek Diversion Dam and McKays Point Reservoir filled with sediment and debris, and Beaver Creek required emergency dredging after the river flows receded during the summer. Additionally, much of the Project was inaccessible for weeks as a result of numerous road failures. Repair costs totaled approximately \$2.2 million. Construction was completed in fall 2017. The Agency recovered \$1,270,036 from the project insurance policy in fiscal year 2018. On February 14, 2017, a Presidential Disaster Declaration was issued including federal disaster assistance. To date the Agency has collected \$109,500 in public assistance grants and this project is in the project-close-out process. NCPA will record additional proceeds in other non-operating revenue in the fiscal year in which they are received.

On October 23, 2019, a major wildfire (The Kincadee Fire) began burning in Sonoma County. The fire burned approximately 78,000 acres and destroyed approximately 370 structures including homes, commercial properties, and other minor structures. The Agency's Geysers geothermal and effluent projects are located in Lake and Sonoma Counties, and NCPA Geo Plant 1 tripped offline, initiated by a 230kV line protection relay. NCPA was notified that a wild fire was reported in the area near the Geo facilities. NCPA shut down both units for safety compliance and increased fire mitigation efforts. On October 25, 2019, Governor Gavin Newsom proclaimed a state of emergency. The Agency seeks to recover public assistance grants and will record those proceeds in other non-operating revenue in the fiscal year in which they are received.

In December 2019, a novel (new) coronavirus known as SARS-CoV-2 (COVID-19) was detected in Wuhan, China, causing outbreaks that have spread globally. The Secretary of Health and Human Services (HHS) declared a public health emergency on January 31, 2020. The Federal Government, along with State and local governments, has taken preventive and proactive measures to slow the spread of COVID-19, treat those affected, and accelerate the acquisition of personal protective equipment. On March 13, 2020, a Presidential National Emergency Declaration was issued including Public Assistance. In accordance with Section 502 of the Stafford Act, eligible emergency protective measures taken to respond to the COVID-19 emergency at the direction or guidance of the public health officials' may be reimbursed under Category B of Federal Emergency Management Agency's (FEMA) Public Assistance program. The Agency implemented certain procedures to mitigate the spread of COVID-19 in accordance with recommendations by the Centers for Disease Control and Prevention (CDC) and the Placer County Health Department. The Agency has filed a claim to recover costs associated with these new procedures.

Risk Management The Agency is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, and on the job injuries of employees. These risks are covered through the purchase of, property, commercial, directors and officers, and workers compensation insurance, with minimal deductibles. Settled claims with insurers have not exceeded the commercial liability limits in any of the past three years. During the Agency's insurance renewal period in FY 2020, multiple catastrophic California wildfires that occurred over the last few years as well as fires in 2019 had a significant impact on the liability insurance market in California. In addition, some insurers have left the market completely while others have reduced capacities and/or excluded wildfire coverage altogether. As a result, the Agency experienced upward price pressure for liability and property coverage during FY 2020. Wildfire liability insurance coverage limits decreased from \$75.0 million to \$35.0 million while premiums for the reduced limits increased by 45.4%. Property coverage remained comparable to prior year, while premiums increased by 22.7%

In compliance with Senate Bill 901, the Agency has developed and implemented a Wildfire Risk Mitigation Plan at the Geothermal and Hydroelectric Plants to utilize proactive measures to prevent or limit fires and resulting damages before they occur.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS**

**Schedule of Changes in the Net
Pension Liability and Related
Ratios Last 10 Measurement
Years ***

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Total Pension Liability						
Service cost	\$ 3,521,688	\$ 3,511,108	\$ 3,548,776	\$ 3,152,017	\$ 3,256,167	\$ 3,220,329
Interest on total pension liability	11,463,532	10,837,217	10,678,090	10,328,232	9,734,270	9,285,364
Differences between expected and actual experience	1,919,478	(324,038)	(1,980,198)	581,539	(1,437,389)	-
Changes in assumptions	-	(4,902,279)	8,835,307	-	(2,354,661)	-
Changes in benefits	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(7,925,026)	(7,101,870)	(6,410,415)	(5,988,393)	(5,522,982)	(5,059,144)
Net change in total pension liability	8,979,672	2,020,138	14,671,560	8,073,395	3,675,405	7,446,549
Total pension liability - beginning	160,611,316	158,591,178	143,919,618	135,846,223	132,170,818	124,724,269
Total pension liability - ending (a)	\$ 169,590,988	\$ 160,611,316	\$ 158,591,178	\$ 143,919,618	\$ 135,846,223	\$ 132,170,818
Plan fiduciary net position						
Contributions - employer	\$ 8,704,519	\$ 7,769,425	\$ 6,752,236	\$ 5,406,928	\$ 5,584,985	\$ 5,507,642
Contributions - employee	1,826,209	1,532,206	1,556,483	1,453,722	1,433,343	1,410,488
Net investment income	6,536,424	7,654,116	8,979,321	434,144	1,754,108	10,868,237
Benefit payments	(7,925,026)	(7,101,870)	(6,410,415)	(5,988,393)	(5,522,982)	(5,059,144)
Administrative and other expense	(70,807)	(407,211)	(117,127)	(47,581)	(87,934)	-
Net change in plan fiduciary net position	9,071,319	9,446,666	10,760,498	1,258,820	3,161,520	12,727,223
Plan fiduciary net position - beginning	99,538,182	90,091,182	79,331,018	78,072,198	74,910,678	62,183,455
Plan fiduciary net position - ending (b)	\$ 108,609,501	\$ 99,538,182	\$ 90,091,516	\$ 79,331,018	\$ 78,072,198	\$ 74,910,678
Net pension liability - ending (a)-(b)	\$ 60,981,487	\$ 61,073,134	\$ 68,499,662	\$ 64,588,600	\$ 57,774,025	\$ 57,260,140
 Plan fiduciary net position as a percentage of the total pension liability	 64.04%	 61.97%	 56.81%	 55.12%	 57.47%	 56.68%
 Covered - employee payroll	 \$ 20,379,246	 \$ 19,045,878	 \$ 18,573,174	 \$ 18,121,290	 \$ 18,365,293	 \$ 17,596,462
Net pension liability as percentage of covered-employee payroll	318.60%	320.66%	368.81%	356.42%	314.58%	325.41%

REQUIRED SUPPLEMENTARY INFORMATION - Continued
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

**Schedule of Pension Plan
Contributions**

Last 10 Fiscal Years *	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Actuarially Determined Contribution	\$ 6,839,592	\$ 6,837,159	\$ 6,263,130	\$ 5,715,970	\$ 5,406,928	\$ 5,065.861
Contributions in Relation to the Actuarially Determined Contribution	(8,704,519)	(8,703,934)	(7,769,768)	(6,752,236)	(5,406,928)	(5,584,985)
Contribution Deficiency (Excess)	\$ (1,864,927)	\$ (1,866,775)	\$ (1,506,638)	\$ (1,036,266)	\$ -	\$ (519.124)
Covered-Employee Payroll ¹	\$ 19,140,650	\$ 20,379,246	\$ 19,045,878	\$ 18,573,174	\$ 18,121,290	\$ 18,365,293
Contributions as a Percentage of Covered-Employee Payroll ¹	45.48%	42.71%	40.79%	36.35%	29.84%	30.41%

¹ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Pensionable earnings are covered employee payroll reduced for earnings and other earnings adjustments not subject to pension contributions.

* Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

REQUIRED SUPPLEMENTARY INFORMATION - Continued
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Schedule of OPEB Plan Contributions
Last 10 Fiscal Years *

	FY 2020	FY 2019	FY 2018
Actuarially Determined Contribution	\$ 1,300,000	\$ 1,676,000	\$ 1,426,947
Contributions in Relation to the Actuarially Determined Contribution	(3,911,488)	(3,674,502)	(3,454,933)
Contribution Deficiency (Excess)	\$ (2,611,488)	\$ (1,998,502)	\$ (2,027,985)
Covered-Employee Payroll	\$ 21,671,910	\$ 20,379,247	\$ 19,556,203
Contributions as a Percentage of Covered-Employee Payroll ¹	18.05%	18.03%	17.67%

* Fiscal year 2018 was the first year of implementation, therefore only three years are shown.

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contributions Rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Amortization period	15 years
Asset valuation method	5 year smoothed market
Discount rate	6.75 percent
Healthcare cost trend rates	7.75% for pre-65 and 6.00% for post-65
Salary increases	3.52 percent
Investment rate of return	6.75 percent
Retirement age	In the 2019 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	Rates based on statistics taken from the latest California PERS (CalPERS) Pension Valuation Report. The mortality rates include an assumed improvement in future mortality based on Scale BB projected to 2028.

SUPPLEMENTARY INFORMATION (UNAUDITED)

**COMBINING STATEMENT OF NET POSITION
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)**

June 30, 2020																					
GENERATING & TRANSMISSION RESOURCES																					
<div>Multiple</div>																					
Geothermal		Hydroelectric		Multiple Capital Facilities		CT		Lodi Energy Center		Transmission		Purchased Power & Transmission		Associated Member Services		Other Agency		Combined			
						No. One															
		\$	735	\$	648	\$	22	\$	37	\$	1,527	\$	-	\$	29,741	\$	-	\$	17,443	\$	50,153
CURRENT LIABILITIES																					
Accounts payable and accrued expenses			791	-	-	-	-	-	-	-	-	-	-	-	-	-	202	-	-	-	993
Member advances			429	250	617	2,910	2,910	15,175	-	-	-	-	-	-	-	-	-	-	-	-	19,381
Operating reserves			4,595	20,725	2,575	-	-	12,515	-	-	-	-	-	-	-	-	-	-	-	-	40,410
Current portion of long-term debt			179	6,083	542	-	-	1,119	-	-	-	-	-	-	-	-	-	-	-	-	7,923
Accrued interest payable																					
TOTAL CURRENT LIABILITIES			6,729	27,706	3,756	2,947	2,947	30,336	-	-	29,741	202	17,443		118,860						
NON-CURRENT LIABILITIES																					
Net pension and OPEB liabilities			-	-	-	-	-	-	-	-	-	-	-	-	63,003						63,003
Operating reserves and other deposits			1,500	17,210	-	-	-	132	-	-	30,634	1,783	82,488		133,747						133,747
Interest rate swap liability			-	18,968	-	-	-	-	-	-	-	-	-	-	18,968						18,968
Asset Retirement Obligations			66,285	-	161	-	-	183	-	-	-	-	-	-	66,629						66,629
Long-term debt, net			15,505	258,713	19,882	-	-	306,536	-	-	-	-	-	-	600,636						600,636
TOTAL NON-CURRENT LIABILITIES			83,290	294,891	20,043	-	-	306,851	-	-	30,634	1,783	145,491		882,983						
TOTAL LIABILITIES			90,019	322,597	23,799	2,947	2,947	337,187	-	-	60,375	1,985	162,934		1,001,843						
DEFERRED INFLOWS OF RESOURCES																					
Regulatory credits			37,674	3,625	1,198	2,209	2,209	40,347	-	-	-	308	3,054		88,415						
Pension and OPEB deferrals			-	-	-	-	-	-	-	-	-	-	4,737		4,737						
TOTAL DEFERRED INFLOWS OF RESOURCES			37,674	3,625	1,198	2,209	2,209	40,347	-	-	-	308	7,791		93,152						
NET POSITION																					
Net investment in capital assets			1,712	(24,355)	(3,598)	-	-	1,083	-	-	-	-	-		(25,158)						
Restricted for debt service			3,905	24,847	250	-	-	1,405	-	-	-	-	-		30,407						
Unrestricted			2,650	6,483	3,749	(716)	(716)	3,174	-	-	10,255	4,750	4,797		35,142						
TOTAL NET POSITION			8,267	6,975	401	(716)	(716)	5,662	-	-	10,255	4,750	4,797		40,391						
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			\$ 135,960	\$ 333,197	\$ 25,398	\$ 4,440	\$ 4,440	\$ 383,196	\$ -	\$ -	\$ 70,630	\$ 7,043	\$ 175,522		\$ 1,135,386						

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENTS OF CASH FLOW
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

For the Year Ended June 30, 2020

	GENERATING & TRANSMISSION RESOURCES										
	Geothermal	Hydroelectric	Multiple Capital Facilities		CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined Total
CASH FLOWS FROM OPERATING ACTIVITIES											
Received from participants	\$ 16,978	\$ 25,282	\$ 7,345	\$ 4,925	\$ 30,445	\$ -	\$ 303,131	\$ 21,191	\$ 2,032	\$ 411,329	
Received from others	17,016	23,205	777	998	37,109	-	112,593	2,960	3,757	198,415	
Payments for employee services	(13,594)	(6,282)	(1,008)	(1,594)	(7,341)	-	-	(12,867)	-	(42,686)	
Payments to suppliers for goods and services	(21,127)	(13,617)	(2,576)	(4,033)	(35,732)	-	(404,224)	(8,735)	11,099	(478,945)	
Payments from(to) other programs *	808	(294)	(75)	(136)	(359)	-	-	56	-	-	
NET CASH FLOWS FROM OPERATING ACTIVITIES	81	28,294	4,463	160	24,122	-	11,500	2,605	16,888	88,113	
CASH FLOWS FROM INVESTING ACTIVITIES											
Proceeds from maturities and sales of investments	22,119	34,531	4,686	-	36,867	-	11,327	-	46,875	156,405	
Interest received on cash and investments	742	736	82	31	769	-	1,650	91	1,545	5,646	
Purchase of investments	(21,654)	(46,163)	(564)	-	(26,144)	-	(4,748)	-	(57,462)	(156,735)	
NET CASH FLOWS FROM INVESTING ACTIVITIES	1,207	(10,896)	4,204	31	11,492	-	8,229	91	(9,042)	5,316	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Acquisition and construction of electric plant	(1,255)	(82)	7	(349)	(44,343)	-	-	(55)	(164)	(46,241)	
Insurance proceeds on asset disposals	-	-	-	-	36,400	-	-	-	-	36,400	
Interest paid on long-term debt	(451)	(11,217)	(1,773)	-	(13,995)	-	-	-	-	(27,436)	
Principal repayment on long-term debt	(4,420)	(12,685)	(4,195)	-	(12,040)	-	-	-	-	(33,340)	
Proceeds from bond issues	-	-	22,738	-	-	-	-	-	-	22,738	
Payments to refund debt	-	-	(25,450)	-	-	-	-	-	-	(25,450)	
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(6,126)	(23,984)	(8,673)	(349)	(33,978)	-	-	(55)	(164)	(73,329)	
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES											
Other proceeds	(27)	465	1,476	-	1,848	-	-	(252)	313	3,823	
Refunds to participants	(598)	(2,353)	(38)	960	(941)	-	(2,263)	(4,642)	(2,422)	(12,297)	
Payments from(to) other programs *	3,101	10,206	(2,666)	(802)	9,886	-	(10,052)	1,705	(11,378)	-	
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	2,476	8,318	(1,228)	158	10,793	-	(12,315)	(3,189)	(13,487)	(8,474)	
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,362)	1,732	(1,234)	-	12,429	-	7,414	(548)	(5,805)	11,626	
Beginning of year	7,643	20,508	1,489	1	3,317	-	3,729	633	63,742	101,062	
End of year	\$ 5,281	\$ 22,240	\$ 255	\$ 1	\$ 15,746	\$ -	\$ 11,143	\$ 85	\$ 57,937	\$ 112,688	

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

June 30, 2019

ASSETS	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined
	Geothermal	Hydroelectric	Multiple Capital Facilities		CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services			
CURRENT ASSETS												
Cash and cash equivalents												
Restricted	\$ 3,725	\$ 13,875	\$ 1,488	\$ -	\$ -	\$ 2,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,004
Unrestricted	3,917	6,632	1	1	-	403	-	3,729	633	63,742	-	79,058
Investments												
Restricted	4,786	9,982	3,125	-	-	3,197	-	-	-	-	-	21,090
Unrestricted	-	-	-	-	-	3,599	-	-	-	3,002	-	6,601
Accounts receivable												
Participants	-	-	-	-	-	-	-	-	43	193	236	
Other	275	-	-	-	-	-	-	1,901	-	453	2,629	
Interest receivable	142	181	16	-	-	87	-	153	3	778	1,360	
Inventory and supplies	4,509	1,574	246	359	-	2,203	-	-	-	-	8,891	
Prepaid expenses	320	392	30	45	-	301	-	-	40	551	1,679	
Due from Agency and other programs*	11,510	15,722	2,104	1,203	-	11,737	-	27,476	8,352	(78,104)	-	-
TOTAL CURRENT ASSETS	29,184	48,358	7,010	1,608	-	24,443	-	33,259	9,071	(9,385)	143,548	
NONCURRENT ASSETS												
Investments												
Restricted	1,506	5,013	1,535	-	-	8,614	-	-	-	-	16,668	
Unrestricted	17,920	9,979	-	-	-	6,086	-	25,702	-	92,772	152,459	
Electric plant in service	571,460	395,080	64,852	36,552	-	423,853	7,736	-	839	5,994	1,506,366	
Less: accumulated depreciation	(539,326)	(271,697)	(50,567)	(34,670)	-	(96,170)	(7,736)	-	(502)	(3,401)	(1,004,069)	
Construction work-in-progress	-	-	-	-	-	182	-	-	182	-	182	
TOTAL NONCURRENT ASSETS	51,560	138,375	15,820	1,882	-	342,565	-	25,702	337	95,365	671,606	
OTHER ASSETS												
Regulatory assets	(348)	132,764	8,889	-	-	24,684	-	-	-	57,714	223,703	
Preliminary survey and investigation costs	-	-	-	-	-	-	-	-	435	-	435	
Investment in associated company	-	-	-	-	-	-	-	-	-	265	265	
TOTAL OTHER ASSETS	(348)	132,764	8,889	-	-	24,684	-	-	435	57,979	224,403	
TOTAL ASSETS	80,396	319,497	31,719	3,490	-	391,692	-	58,961	9,843	143,959	1,039,557	
DEFERRED OUTFLOWS OF RESOURCES												
Excess cost on refunding of debt	1,335	29,332	782	-	-	1,822	-	-	-	-	33,271	
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	-	17,055	17,055	
Asset Retirement Obligations	61,766	-	157	-	-	178	-	-	-	-	62,101	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	63,101	29,332	939	-	-	2,000	-	-	-	17,055	112,427	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 143,497	\$ 348,829	\$ 32,658	\$ 3,490	\$ -	\$ 393,692	\$ -	\$ 58,961	\$ 9,843	\$ 161,014	\$ 1,151,984	

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)**

For the Year Ended June 30, 2019

	GENERATING & TRANSMISSION RESOURCES										
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined	
OPERATING REVENUES											
Participants	\$ 446	\$ 13,675	\$ 4,949	\$ 7,304	\$ 18,448	\$ -	\$ 303,346	\$ 20,705	\$ 1,012	\$ 369,885	
Other Third-party	36,274	45,105	2,137	2,016	78,574	-	162,460	2,711	4	329,281	
TOTAL OPERATING REVENUES	36,720	58,780	7,086	9,320	97,022		465,806	23,416	1,016	699,166	
OPERATING EXPENSES											
Purchased power	693	3,701	175	381	4,620	-	288,938	-	-	298,508	
Operations	18,072	4,491	2,193	2,139	56,659	-	4,276	12,160	-	99,990	
Transmission	269	454	50	209	757	-	178,889	5	-	180,633	
Depreciation	3,914	9,471	2,204	192	14,617	-	-	104	342	30,844	
Maintenance	9,265	4,242	660	7,520	5,025	-	-	124	-	26,836	
Administrative and general	4,176	5,020	626	809	4,974	-	-	7,425	(3,726)	19,304	
Intercompany (sales) purchases, net*	(702)	277	73	101	313	-	-	(62)	-	-	
TOTAL OPERATING EXPENSES	35,687	27,656	5,981	11,351	86,965		472,103	19,756	(3,384)	656,115	
NET OPERATING REVENUES	1,033	31,124	1,105	(2,031)	10,057	-	(6,297)	3,660	4,400	43,051	
NON OPERATING (EXPENSES) REVENUES											
Interest expense	(787)	(22,289)	(1,487)	-	(14,728)	-	-	-	-	(39,291)	
Interest income	1,325	1,640	166	1	1,303	-	1,813	100	4,099	10,447	
Other	5	5	2,473	1	5,176	-	64	44	302	8,070	
TOTAL NON OPERATING (EXPENSES) REVENUES	543	(20,644)	1,152	2	(8,249)		1,877	144	4,401	(20,774)	
FUTURE RECOVERABLE AMOUNTS	(565)	(1,977)	(2,083)	-	911	-	-	-	(4,077)	(7,791)	
REFUNDS TO PARTICIPANTS	(2,981)	(2,208)	(160)	902	1,540	-	(2,518)	(5,789)	(2,964)	(14,178)	
INCREASE (DECREASE) IN NET POSITION	(1,970)	6,295	14	(1,127)	4,259	-	(6,938)	(1,985)	1,760	308	
NET POSITION, Beginning of year	11,923	7,387	409	(626)	3,244	-	8,096	6,798	837	38,068	
NET POSITION, End of year	\$ 9,953	\$ 13,682	\$ 423	\$ (1,753)	\$ 7,503	\$ -	\$ 1,158	\$ 4,813	\$ 2,597	\$ 38,376	

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF CASH FLOW - Continued

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

For the Year Ended June 30, 2019

GENERATING & TRANSMISSION RESOURCES												
	Geothermal	Hydroelectric	Multiple Capital Facilities			CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
\$	1,033	\$ 31,124	\$ 1,105	\$ (2,031)	\$ 10,057	\$ -	\$ (6,297)	\$ 3,660	\$ 4,400	\$ 43,051		
	3,914	9,471	2,204	192	14,617	-	-	104	342	30,844		
	4,947	40,595	3,309	(1,839)	24,674	-	(6,297)	3,764	4,742	73,895		
	(275)	-	-	-	59	-	(732)	691	139	(118)		
	(30)	(536)	392	1,039	(107)	-	-	(29)	19	748		
	(915)	(2,117)	(1)	1,966	(941)	-	2,404	(3,834)	4,417	979		
	-	-	-	-	-	-	-	312	-	312		
	484	(536)	(77)	(150)	(2,244)	-	-	59	(340)	(2,804)		
	138	367	(24)	520	(742)	-	17,900	(501)	(791)	16,867		
\$	4,349	\$ 37,773	\$ 3,599	\$ 1,536	\$ 20,699	\$ -	\$ 13,275	\$ 462	\$ 8,186	\$ 89,879		

CASH FLOWS IMPACTED BY CHANGES IN

Accounts receivable	
Inventory and prepaid expense	
Operating reserves and other deposits	
Member advances	
Regulatory credits	
Accounts payable and other liabilities	

RECONCILIATION OF CASH AND CASH
EQUIVALENTS TO STATEMENTS OF NET POSITION

Cash and cash equivalents - restricted	\$ 3,725 \$	13,875 \$	1,488 \$	- \$	2,916 \$	- \$	- \$	- \$	- \$	22,004
Cash and cash equivalents - unrestricted	3,917	6,632	1	1	403	-	3,729	633	63,742	79,058
End of year	\$ 7,642 \$	\$ 20,507 \$	\$ 1,489 \$	\$ 1 \$	\$ 3,319 \$	\$ - \$	\$ 3,729 \$	\$ 633 \$	\$ 63,742 \$	\$ 101,062



To the Commissioners of
Northern California Power Agency and Associated Power Corporations
Roseville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined financial statements of the Northern California Power Agency and Associated Power Corporations (the Agency) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the combined basic financial statements of the Agency, and have issued our report thereon dated October 5, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the terms, covenants, provisions, or conditions of the Indentures of Trust for the bonds described in Attachment A between U.S. Bank and the Agency, insofar as they relate to financial and accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Indenture, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Commissioners of the Agency and U.S. Bank, and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Madison, Wisconsin
October 5, 2020

Attachment A

- > Geothermal Project Number 3 Revenue Bonds, 2012 Series A, dated September 2012
- > Geothermal Project Number 3 Revenue Refunding Bonds, 2016 Series A, dated September 2016
- > Hydroelectric Project Number One Revenue Bonds, 2008 Refunding Series A, dated April 2008
- > Hydroelectric Project Number One Revenue Bonds, 2012 Refunding Series A & B, dated February 2012
- > Hydroelectric Project Number One Revenue Bonds, 2018 Refunding Series A, dated March 2018
- > Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series A, dated April 2019
- > Capital Facilities Project Revenue Bonds, 2019 Refunding Series A, dated December 2019
- > Lodi Energy Center Revenue Bonds, Issue One, 2010 Series B, dated June 2010
- > Lodi Energy Center Revenue Bonds, Issue Two, 2010 Series B, dated June 2010
- > Lodi Energy Center Revenue Bonds, Issue One, 2017 Series A, dated December 2017

To the Commissioners of
Northern California Power Agency and Associated Power Corporations
Roseville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined financial statements of the Northern California Power Agency and Associated Power Corporations (the Agency) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the combined basic financial statements of the Agency, and have issued our report thereon dated October 5, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the terms, covenants, provisions or conditions of the Agency's Investment Policy insofar as they relate to financial and accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the Investment Policy insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Commissioners and management of the Agency and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Baker Tilly US, LLP".

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Madison, Wisconsin
October 5, 2020



To the Commissioners of
Northern California Power Agency and Associated Power Corporations
Roseville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined financial statements of the Northern California Power Agency and Associated Power Corporations (the Agency) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the combined basic financial statements of the Agency, and have issued our report thereon dated October 5, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts insofar as they relate to financial and accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above referenced State Controller's *Minimum Audit Requirements* for California Special Districts insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Commissioners and management of the Agency and is not intended to be, and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Madison, Wisconsin
October 5, 2020

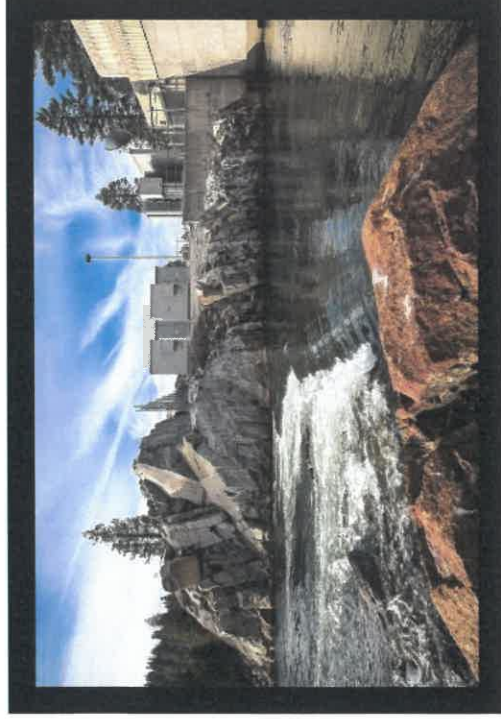
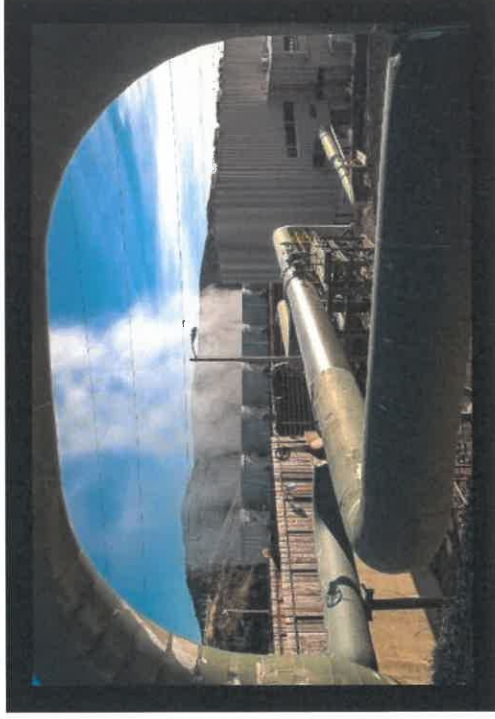


Northern California Power Agency and Associated Power Corporations

Finance Committee Meeting - 2020 Financial Statement Audit



The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely. The intended recipients of this communication and any attachments are not subject to any limitation on the disclosure of the tax treatment or tax structure of any transaction or matter that is the subject of this communication and any attachments. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2018 Baker Tilly Virchow Krause, LLP



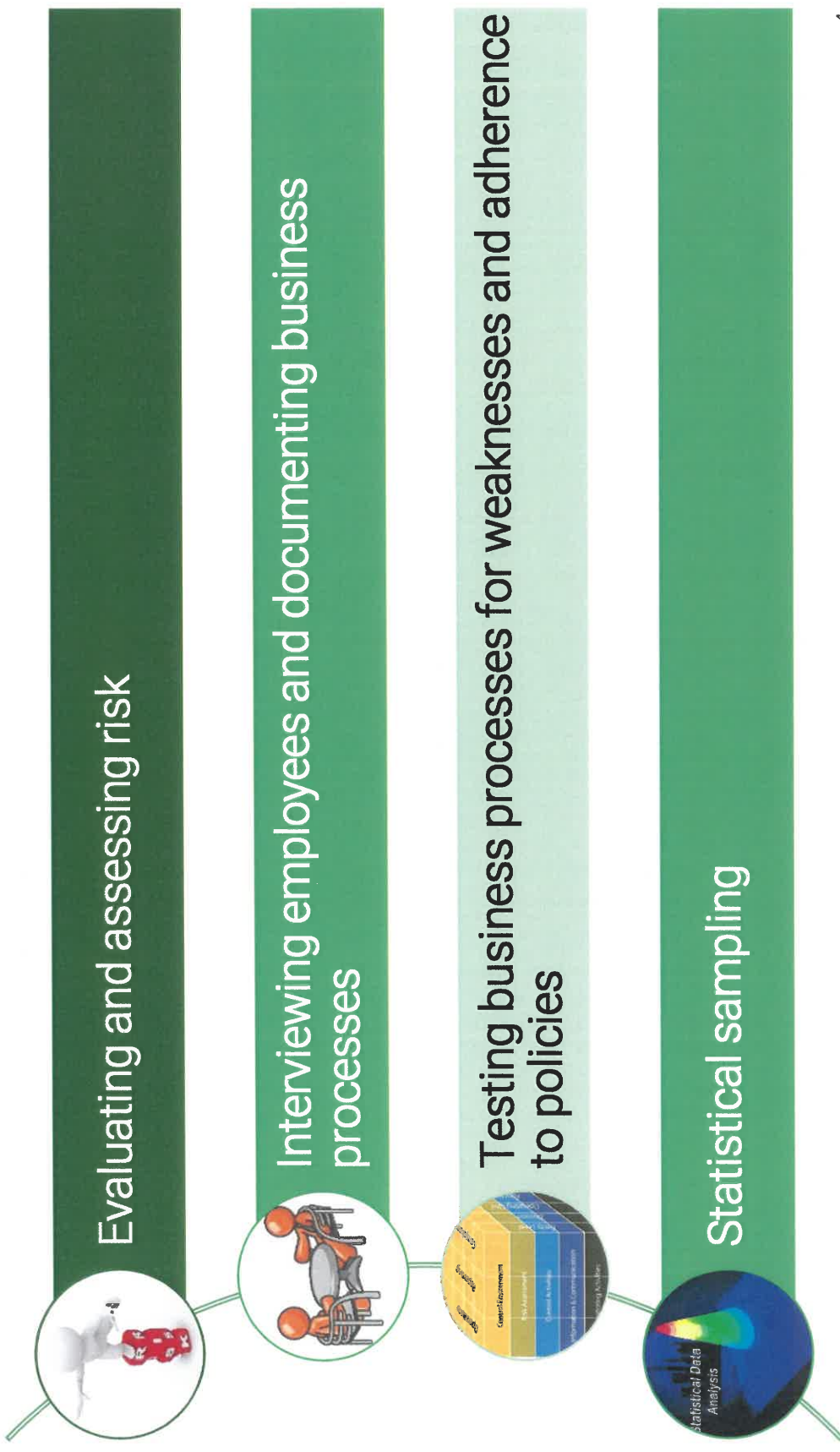
NCPA Audit Discussion



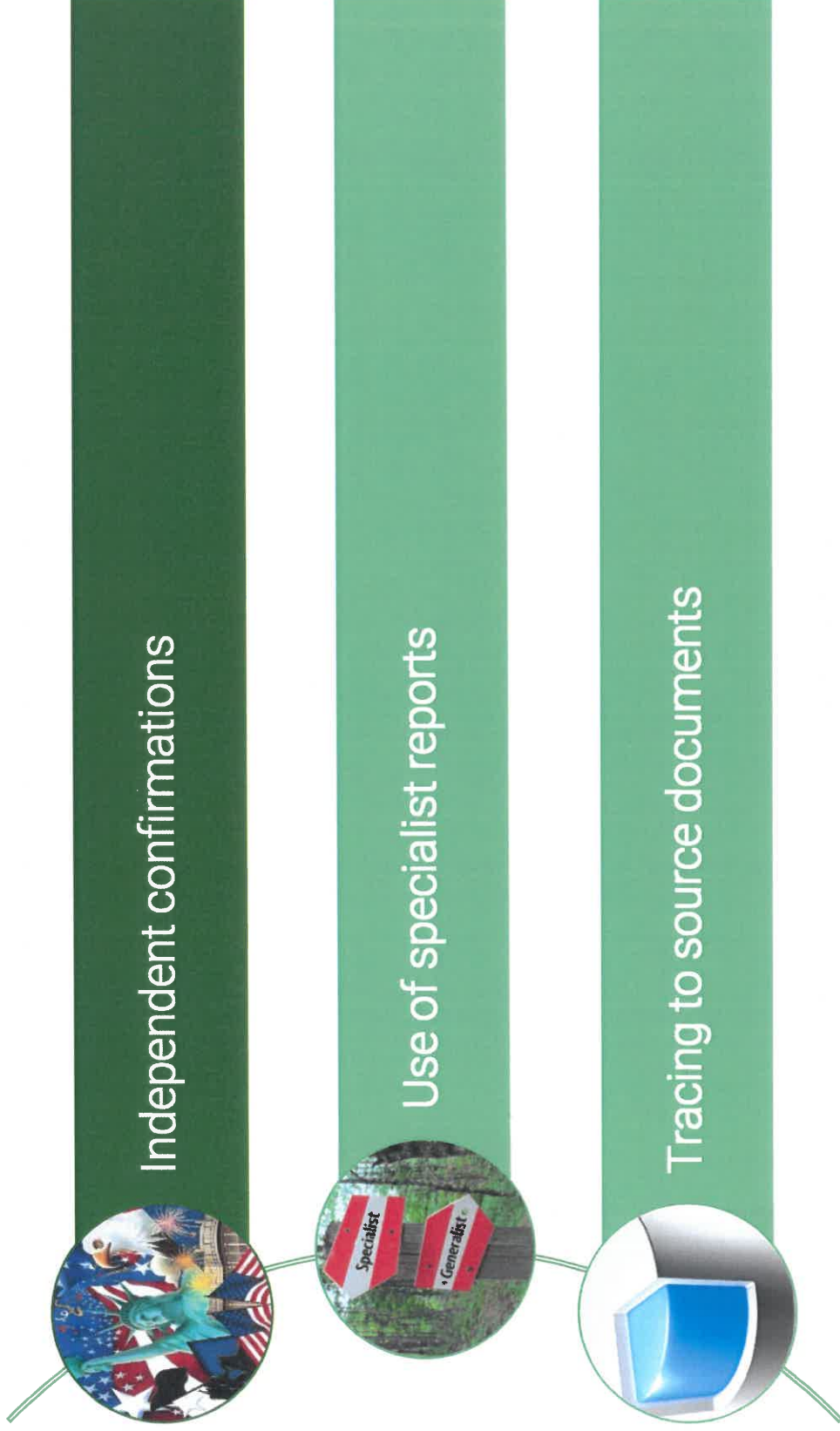
NCPA What were the audit results?



NCPA Testing methods



NCPA Testing methods





NCPA Audit overview

Controls
reviewed in key
transaction
areas

Expenditures

Payroll

Billing and accounts receivable

Cash, investments and derivatives

Capital assets

Information technology

NCPA

Auditor communication to those charged with governance

Auditor responsibility &
independence

Board responsibility

Accounting policies and
estimates

Baker Tilly agrees with NCPA's accounting policies
and disclosures

There were no material
adjustments to the
financial statements,
one passed adjustment

No other audit findings or concerns



NCPA



**We appreciate the help of the NCPA's Accounting and
Management teams in assisting in the audit!**



NCPA



Discussion

Contact Info

Bethany Ryers, Firm Director
608 240 2382
Bethany.ryers@bakertilly.com

Gwen Zech, Audit Manager
608 240 2443
Gwen.zech@bakertilly.com

2021 Committee Meeting Calendar

Facilities/ Pooling Committees 9:00 am	LEC PPC Committee 10:00 am	Finance Committee 10:30 am	Utility Directors (Non Public) 9:00 am	Legal Committee 8:30 am	L&R Affairs Committee 12:00 pm	Executive Committee 8:00 am	*Commission 9:30 am
January 6	January 11		January 14	January 7		January 28	January 28
February 3	February 8	February 9	February 11	February 4	February 24	February 25	February 25
March 3	March 8		March 11	March 4		March 25	March 25
April 7	April 12		April 15	April 1	April 28	April 29	April 29
May 5	May 10	May 11	May 13	May 6		May 27	May 27
June 2	June 7		June 10	June 3		June 17	June 17
July 7	July 12		July 15	July 1		July 29	July 29
August 4	August 9	August 10	August 12	August 5	August 25	August 26	August 26
September 1	September 13		September 9	September 29 1:00 pm Napa, CA	September 29 3:00 pm Napa, CA	**October 1 Napa, CA	**October 1 Napa, CA
October 6	October 11	October 12	October 14	No October Meeting		October 28	October 28
November 3	November 15	November 16	November 18	November 4		No November Meeting	No November Meeting
December 1	December 6		December 9	December 16	December 1	December 2	December 2

*Commission Packet mailed the Thursday or Friday prior to the meeting date.

**The October 1 Commission meeting will be held on a Friday.

NCPA CONFERENCES / EVENTS:

NCPA 101 Presentation: Virtual Format: TBD

NCPA Strategic Issues Conference: CANCELLED

Capitol Day: Virtual Format: Date TBD

NCPA/NWPPA Federal Policy Conference: Postponed until fall 2021

NCPA Annual Conference: September 29 – October 1, 2021, at the Silverado Resort, Napa, CA




Commission Staff Report

Date October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Katama Technologies, Inc. – First Amendment to the Five-Year Multi-Task Consulting Services Agreement; Applicable to the following projects: All NCPA Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), or SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Monty Hanks 	METHOD OF SELECTION:
	Assistant General Manager/CFO	N/A
Division:	Administrative Services	
Department:	General Services	

IMPACTED MEMBERS:			
All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>
City of Shasta Lake	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>
Plumas-Sierra REC	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>
Truckee Donner PUD	<input type="checkbox"/>	City of Healdsburg	<input type="checkbox"/>
City of Santa Clara	<input type="checkbox"/>	Other	<input type="checkbox"/>
<p><i>If other, please specify</i></p> <p>_____</p> <p>_____</p>			

RECOMMENDATION:

Staff is recommending the Northern California Power Agency (NCPA) Commission approve Resolution 20-67 authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task Consulting Services Agreement with Katama Technologies, Inc., with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$250,000 to \$1,000,000, for continued use at any facilities owned and/or operated by NCPA, its Members, the Southern California Public Power Authority (SCPPA), or SCPPA Members.

BACKGROUND:

Consulting services related to business strategy and project planning are required from time to time related to project support at facilities owned and/or operated by NCPA, its Member, SCPPA, and by SCPPA Members.

On August 6, 2020, NCPA entered into a five-year Multi-Task Consulting Services Agreement with Katama Technologies, Inc., for an amount not to exceed \$250,000. Katama is a solution partner of Hometown Connections providing technology development planning and implementation consulting. This agreement was developed primarily for a Member project relating to detailed design services for a fiber optic cabling loop between key substations. Initially the scope of work was estimated to fall within the available funds authorized by this agreement, but during the scoping of the project, it became clear an increase to the agreement's Compensation amount is required. For this reason, an amendment is necessary to provide adequate funds for the project through completion plus the availability of additional funds for use by NCPA, its members, SCPPA, and/or SCPPA members over the course of the agreement's five-year term.

FISCAL IMPACT:

Upon execution, the total cost of the Agreement increases the not to exceed to \$1,000,000 over five years. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures. Under the Support Services Program Agreement, a Member requesting services/goods is responsible for satisfying its own Purchasing Policies.

SELECTION PROCESS:

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 does not have any agreements in place with other vendors at this time for similar services. NCPA seeks bids from as many qualified providers as possible. 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.

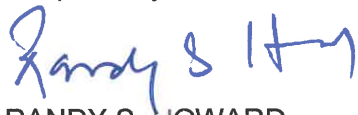
ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020 and was recommended for Commission approval on the Consent Calendar.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments:

- Resolution 20-67
- Multi-Task Consulting Services Agreement with Katama Technologies, Inc.
- First Amendment to Multi-Task Consulting Services Agreement with Katama Technologies, Inc.

RESOLUTION 20-67

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A FIRST AMENDMENT TO THE FIVE YEAR MULTI-TASK CONSULTING SERVICES AGREEMENT WITH KATAMA TECHNOLOGIES, INC.

(reference Staff Report #199:20)

WHEREAS, consulting services related to business strategy and project planning are required from time to time at facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Katama Technologies, Inc. is a provider of these services; and

WHEREAS, NCPA entered into a five-year Multi-Task Consulting Services Agreement with Katama Technologies, Inc., on August 6, 2020; and

WHEREAS, through the Support Services Program Agreement, Redding Electric utilized Katama Technologies, Inc., a solution partner of Hometown Connections, Inc., for detailed design services for a fiber optic cabling loop between key substations; and

WHEREAS, the scope of work was estimated to fall within the available funds authorized by this agreement, but during the scoping of the project, it became clear an increase to the agreement's Compensation amount is required; and

WHEREAS, NCPA seeks to increase the not to exceed amount of the current agreement from \$250,000 to \$1,000,000 to ensure there are sufficient funds for Redding Electric and for any other future projects for the remaining term of the agreement; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a First Amendment to the Multi-Task Consulting Services Agreement with Katama Technologies, Inc., with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$250,000 to \$1,000,000, for continued use at any facilities owned and/or operated by NCPA, its Members, the Southern California Public Power Authority (SCPPA), or SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



FIRST AMENDMENT TO MULTI-TASK CONSULTING SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND KATAMA TECHNOLOGIES, INC.

This First Amendment ("Amendment") to Multi-Task Consulting Services Agreement is entered into by and between the Northern California Power Agency ("Agency") and Katama Technologies, Inc. ("Consultant") (collectively referred to as "the Parties") as of _____, 2020.

WHEREAS, the Parties entered into a Multi-Task Consulting Services Agreement dated effective August 6, 2020, (the "Agreement") for Consultant to provide services including but not limited to business strategy planning process, technology planning process, design technology procurement specifications, and training on best practices; and

WHEREAS, the Agency now desires to amend the Agreement to increase the total compensation authorized by the Agreement from a NOT TO EXCEED amount of \$250,000 to a NOT TO EXCEED amount of \$1,000,000; and

WHEREAS, the Parties have agreed to modify Exhibit B to the Agreement to reflect the new Compensation amount; and

WHEREAS, in accordance with Section 8.2 all changes to the Agreement must be in writing and signed by all the Parties; and

NOW, THEREFORE, the Parties agree as follows:

1. **Section 2—Compensation** of the Agreement is amended and restated to read as follows:

Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** one million dollars (\$1,000,000) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

The remainder of Section 2 of the Agreement is unchanged.

2. **Exhibit B – COMPENSATION SCHEDULE** is amended and restated to read in full as set forth in the Attached Exhibit B.
3. This Amendment in no way alters the terms and conditions of the Agreement except as specifically set forth herein.

SIGNATURES ON NEXT PAGE

Date: _____

NORTHERN CALIFORNIA POWER AGENCY

RANDY S. HOWARD, General Manager

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

Date: _____

KATAMA TECHNOLOGIES, INC.

GREG JOHNSON, President/CEO

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed \$1,000,000. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Consulting hourly rates are as follows:

1. Fiber network technical specialists - \$250/hour
2. Senior management and technology consultants - \$200/hour
3. Process management specialists - \$200/hour
4. Project managers - \$187.50/hour
5. Junior management and technology consultants - \$150/hour

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Consultant for travel, food and related costs in excess of those permitted by the Internal Revenue Service.



**MULTI-TASK CONSULTING SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
KATAMA TECHNOLOGIES, INC**

This Consulting Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Katama Technologies, Inc. a Corporation with its office located at 16100 Whitesail Dr., Charlotte, NC, 28278 ("Consultant") (together sometimes referred to as the "Parties") as of 3/6/2020 ("Effective Date") in Roseville, California.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to Agency the services described in the Scope of Services attached hereto as Exhibit A and incorporated herein ("Services"), at the time and place and in the manner specified therein.

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, or no later than five (5) year from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein.
- 1.3 Assignment of Personnel.** Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Services Provided.** Services provided under this Agreement by Consultant may include Services directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Services.** At such time that Agency determines to use Consultant's Services under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific services to be performed ("Requested Services"), may include a not-to-exceed monetary cap on Requested Services and expenditures authorized by that Purchase Order, and a time by which the Requested Services shall be completed. Consultant shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Consultant chooses not to perform the Requested Services. If Consultant agrees to perform the Requested Services, begins to perform the Requested Services, or does not respond within the seven day

period specified, then Consultant will have agreed to perform the Requested Services on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** Two Hundred Fifty Thousand dollars (\$250,000) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Services performed;
- The Purchase Order number authorizing the Services;
- At Agency's option, the total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder; and
- At Agency's option, when the Consultant's Scope of Work identifies tasks, for each work item in each task, a copy of the applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.

2.3 Payment of Taxes. Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 **Authorization to Perform Services.** The Consultant is not authorized to perform any Services or incur any costs whatsoever under the terms of this Agreement until receipt of written authorization from the Contract Administrator.

2.5 **Timing for Submittal of Final Invoice.** Consultant shall have ninety (90) days after completion of its Services to submit its final invoice for the Requested Services. In the event Consultant fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Consultant is deemed to have waived its right to collect its final payment from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Services.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

4.1 **Workers' Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant with limits of not less than one million dollars (\$1,000,000.00) per accident.

4.2 **Commercial General and Automobile Liability Insurance.**

4.2.1 **Commercial General Insurance.** Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 **Automobile Liability.** Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Consultant, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and

mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Not applicable.

4.4 All Policies Requirements.

4.4.1 Verification of coverage. Prior to beginning any work under this Agreement, Consultant shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.4.2 Notice of Reduction in or Cancellation of Coverage. Consultant shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.4.3 Higher Limits. If Consultant maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Consultant.

4.4.4 Additional Certificates and Endorsements. If Consultant provides services to Agency members, SCPPA, and/or SCPPA members pursuant to this Agreement, Consultant shall provide certificates of insurance and policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA or SCPPA member.

4.4.5 Waiver of Subrogation. Consultant agrees to waive subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Consultant, its employees, agents and subcontractors.

4.5 Consultant's Obligation. Consultant shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Services are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this

Agreement. Consultant shall also ensure that all workers involved in the provision of Services are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

- 5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.
- 5.2 Scope.** Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Consultant, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** Consultant is an independent contractor and not an employee of Agency. Agency shall have the right to control Consultant only insofar as the results of Consultant's Services and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Consultant shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the

payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Consultant and Agency acknowledge and agree that compensation paid by Agency to Consultant under this Agreement is based upon Consultant's estimated costs of providing the Services, including salaries and benefits of employees, agents and subcontractors of Consultant.

Consultant shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Consultant's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Consultant agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Consultant.

- 6.2 Consultant Not Agent.** Except as Agency may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Consultant shall supervise all work subcontracted by Consultant in performing the services and shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

- 6.4 **Certification as to California Energy Commission.** If requested by the Agency, Consultant shall, at the same time it executes this Agreement, execute Exhibit C.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Consultant and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 **Termination.** Agency may cancel this Agreement at any time and without cause upon thirty (30) days prior written notice to Consultant.

In the event of termination, Consultant shall be entitled to compensation for Services satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Consultant delivering to Agency any or all records or documents, as referenced in Section 9.1 hereof.

- 8.2 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 8.3 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Consultant shall survive the termination of this Agreement.
- 8.4 **Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:
- 8.4.1 Immediately terminate the Agreement;
- 8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;

- 8.4.3 Retain a different consultant to complete the Services not finished by Consultant; and/or
- 8.4.4 Charge Consultant the difference between the costs to complete the Services that is unfinished at the time of breach and the amount that Agency would have paid Consultant pursuant hereto if Consultant had completed the Services.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Consultant's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Consultant hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Consultant agree that, unless approved by Agency in writing, Consultant shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under the Agreement.
- 9.4 **Confidential Information and Disclosure.**
- 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall

not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confident; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, consultants, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and

subcontractors who have a need to know in connection with this Agreement.

Section 10. MISCELLANEOUS PROVISIONS.

- 10.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 10.6 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Consultant shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 10.7 Contract Administrator.** This Agreement shall be administered by Monty Hanks, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

10.8 Notices. Any written notice to Consultant shall be sent to:

Greg Johnson
President/CEO
Katama Technologies, Inc.
16100 Whitesail Drive
Charlotte, NC 28278

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

10.9 Professional Seal. Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

10.10 Integration; Incorporation. This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

10.11 Alternative Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:

10.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;

10.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

10.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement

by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

10.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

10.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

10.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

10.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Consultant's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Consultant's Proposal, the Purchase Order shall control.

10.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

10.14 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

10.15 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Consultant provide Services to an Agency member, SCCPA and/or a SCPPA member (collectively for the purposes of this section only "Member") pursuant to section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Services relating to such Member.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

Katama Technologies, Inc.

Date 8/6/2020

Date August 5, 2020

Warty Hail for
RANDY S. HOWARD, General Manager

GREG JOHNSON, President/CEO

Attest: [Signature]
Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt
Jane E. Luckhardt, General Counsel

EXHIBIT A
SCOPE OF SERVICES

Consulting services to include:

1. Conduct business strategy planning process
2. Conduct technology planning process (often linked to business strategy)
3. Develop business cases
4. Improve business processes
5. Design technology procurement specifications for:
 - a. Operational technologies, such as:
 - i. Advanced Metering Infrastructure (AMI),
 - ii. Meter Data Management Systems (MDMS)
 - iii. Outage Management Systems (OMS),
 - iv. Supervisory Control and Data Acquisition (SCADA)
 - b. Enterprise systems, such as:
 - i. Customer Information Systems (CIS)
 - ii. Financial Information Systems (FIS)
 - iii. Work Order Management Systems (WOMS)
 - c. Field communications networks
 - i. Backhaul/Broadband Networks
 - ii. Fiber Optic Networks
6. For the above technologies:
 - a. Assist with RFP processes
 - b. Assist with proposal evaluations
 - c. Assist with technology implementation
 - d. Assist with project management
7. Train people on best practices, business processes, use of technology or other industry concerns
8. Provide expert witness services

Subcontractors:

1. Advanced Radio and Optical Networks – Bend, OR
2. Strickland NC, LLC – TX

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed \$250,000. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Consulting hourly rates are as follows:

1. Fiber network technical specialists - \$250/hour
2. Senior management and technology consultants - \$200/hour
3. Process management specialists - \$200/hour
4. Project managers - \$187.50/hour
5. Junior management and technology consultants - \$150/hour

Pricing for services to be performed at NCPA Member or SCPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Consultant for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I, J. GREGORY JOHNSON PRESIDENT
(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

Katama Technologies INC
(Company Name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.


(Signature of officer or agent)

Dated this 5th day of August, 20 20

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.



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Commission Staff Report

DATE: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Evoqua Water Technologies, LLC – Five Year Multi-Task General Services Agreement for Water Treatment Related Services; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>J.L.</i> Assistant General Manager	METHOD OF SELECTION: <i>Competitive Pricing Process</i>
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

IMPACTED MEMBERS:		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
San Francisco Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	Other <input type="checkbox"/>
<i>If other, please specify</i>		
<hr/>		
<hr/>		

RECOMMENDATION:

Approve Resolution 20-68 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Evoqua Water Technologies, LLC for water treatment related 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, NCPA Members, by SCPPA, or by SCPPA Members.

BACKGROUND:

Water treatment related services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members. NCPA had a previous agreement in place with Evoqua Water Technologies, LLC, which is expiring. NCPA requested competitive bids specifically for the water treatment services required for the CT facilities. Evoqua Water Technologies, LLC was one of the prospective bidders. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into a multi-task enabling agreement with Evoqua Water Technologies, LLC so established terms and conditions are in place should this vendor be the successful bidder on future projects. Execution of this enabling agreement will also increase the pool of qualified and proven vendors for these types of services. NCPA does not currently have any agreements in place with similar vendors.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$1,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

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 seeks bids from as many qualified providers as possible. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 12, 2020, and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Evoqua Water Technologies, LLC

RESOLUTION 20-68

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH EVOQUA WATER
TECHNOLOGIES, LLC**

(reference Staff Report #202:20)

WHEREAS, water treatment related services are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Evoqua Water Technologies, LLC is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Evoqua Water Technologies, LLC to provide such services as needed at all NCPA facilities, NCPA Members, SCPPA, and SCPPA Member facilities, in an amount not to exceed \$1,000,000 over five years; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Evoqua Water Technologies, LLC, for water treatment related services, with any non-substantial changes as 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, NCPA Members, by SCPPA, or by SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
EVOQUA WATER TECHNOLOGIES, LLC**

This Multi-Task General Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Evoqua Water Technologies, LLC, a Delaware limited liability company with its office located at 210 Sixth Avenue, Suite 3300, Pittsburgh, PA 15222 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2020 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** ONE MILLION dollars (\$1,000,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 Payment of Taxes. Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

- 2.5 Timing for Submittal of Final Invoice.** Contractor shall have thirty (30) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the thirty (30) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency. Additionally, invoices with errors will be returned to Contractor for correction. Contractor shall have thirty (30) days to resubmit corrected invoices. Any invoices not properly corrected or invoices that take longer than thirty (30) days to return, the Contractor is deemed to have waived its right to collect its final payment for the Requested Work from agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

Section 4. INSURANCE REQUIREMENTS. Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

4.2 Commercial General and Automobile Liability Insurance.

- 4.2.1 Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.
- 4.2.2 Automobile Liability.** Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and

mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Not Applicable.

4.4 Pollution Insurance. Not Applicable.

4.5 All Policies Requirements.

4.5.1 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 Notice of Reduction in or Cancellation of Coverage. Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5.3 Higher Limits. If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.5.5 Waiver of Subrogation. Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

4.6 Contractor's Obligation. Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are

and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 5.2 Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and from and against all third party losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), for personal injury, death or damage to tangible property to the extent caused by negligence by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.
- 5.3 Transfer of Title.** If Contractor's Work involves its transporting hazardous materials, Contractor shall be deemed to be in exclusive possession and control of such materials and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of such materials, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Contractor or its agents complete transfer of such materials into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Contractor shall be responsible for all such notifications. Should Contractor be required to remedy or remove such materials as a result of a leak, spill, release or discharge of such materials into the environment at Agency's Site or elsewhere, Contractor agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

Section 6. STATUS OF CONTRACTOR.

- 6.1 Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant

to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the

subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

- 6.4 **Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less

than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

8.1 Termination. Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however,

may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.
- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.
- 8.4 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:
- 8.4.1** Immediately terminate the Agreement;
 - 8.4.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
 - 8.4.3** Retain a different Contractor to complete the Work not finished by Contractor; and/or
 - 8.4.4** Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.

9.4 Confidential Information and Disclosure.

9.4.1 Confidential Information. The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

10.1 Operations at the Project Site. Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.

10.2 Contractor's Equipment, Tools, Supplies and Materials. Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall

assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.

- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement. Contractor warrants the services for ninety (90) days from performance ("Warranty Period").
- 11.2 Deficiencies in Work.** If Agency gives prompt written notice of breach of this warranty to Contractor within the Warranty Period, Contractor shall be obligated at its own expense, and as Agency's sole and exclusive remedy, to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. Unless otherwise agreed to in writing by Contractor, (i) Agency shall be responsible for any labor required to gain access to the work so that Contractor can assess the available remedies and (ii) Agency shall be responsible for all costs of installation of repaired or replaced work. If Contractor determines that any claimed breach is not, in fact, covered by this warranty, Agency shall pay Contractor its then customary charges for any repair or replacement made by Contractor. Contractor's warranty is conditioned on Agency (a) operating and maintaining the work in accordance with Contractor's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Contractor. Contractor's warranty does not cover damage caused by chemical action or abrasive material, misuse or improper installation (unless installed by Contractor) and (ii) media goods (such as, but not limited to, resin, membranes, or granular activated carbon media) once media goods are installed.
- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, to the extent assignable, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work

Section 12. Mix Bed Guarantee

- 12.1 Warranty.** Any deviations from the requirements, assumptions or conditions contained of this section 12 will void the warranty. Agency must ensure that all conditions set forth in this section, including all the feedwater water parameters listed in Exhibit A, ("Incoming Water") are met including Agency provided materials, equipment, facilities, utilities, and other things, described herein. This warranty shall be deemed void if Agency fails to meet any of the following obligations pertaining to media use and the system in which media is used.

For Lodi Energy Center Condensate Polishers, Contractor will guarantee, by way of an amendment to the Agreement, a throughput amount to be determined and mutually agreed upon, based upon the process as defined by the Throughput Volume Determination Plan by May 31, 2021 as per the treated water specifications outlined in Exhibit A ("Effluent Water"). If the parties are unable to mutually agree to the throughput amount by the date specified, the throughput guarantee will be void and Contractor will have no responsibility or liability as it relates to the throughput guarantee.

The warranty shall be deemed void if the Agency fails to meet the following influent water conditions:

- Feed water must not contain any oxidizing agents including, without limitation, chlorine, ozone or permanganate.
- Sequestrants, cleaning or treatment chemicals, and any other chemicals used in the system must be compatible with the media.
- Influent water to each vessel shall be free of entrained air to the extent that entrained air could disrupt media beds in any system.
- Bacteria levels in the influent and influent delivery mechanisms such as, for example, piping and manifolds in any well, shall be <5 cfu/ml. If Contractor Water Technologies is requested to backwash and sanitize a specific media bed after the start of a particular run then Condition a. applies. Furthermore, the detection of bacteria at any level in the influent and influent delivery mechanisms may compromise the media bed life. Therefore, Contractor assumed no responsibility or liability relating to the bacteriological quality of the incoming water or within the wells and shall bear no costs relating to media sterilization due to bacteria in the incoming water or elsewhere in the wells.
- Should any of the sodium, chloride, sulfate, phosphate, silica, specific conductivity, ammonia, total organic carbon, temperature range, temperature peak, and total iron values exceed the feedwater water parameters listed in Exhibit A, the warranted treatment volume will be adjusted and a new Warranty would be provided.

This section 12.1 does not require Agency to do any additional monitoring.

- 12.2 Remedies.** The sole remedy for each of Contractor's vessel that fails to reach 50% of this mix bed guarantee is a full credit for the regeneration cost will be applied to Agency's account. If a vessel reaches 50%-100% throughput, then a pro-rated credit for the regeneration cost will be applied to the Agency's account.

For example, if the throughput is 21,000,000 gallons, then the Agency would only pay for 70% of the price.

12.3 System Operation and Maintenance. Agency agrees, at its own expense, to at all times maintain the system as necessary for Contractor to fulfill its obligations hereunder. The design parameters (system, equipment and peripheral components) must be consistent with sound engineering practice and the system is operated within the design parameters. The system shall be operated and maintained in accordance with the written parameters provided in this supplied Media Bed Life Warranty. The warranty shall be deemed void if the Agency fails to meet the following system conditions:

- The media must be operationally protected against excessive hydraulic changes including, without limitation, water hammer, and rapid pressure swings.
- The system shall not be backwashed or the beds otherwise hydraulically altered once a service run has started, as this will reduce the expected throughput.
- The media must be maintained in a clean condition and must not be contaminated by particulate matter, colloidal or precipitated solids, biological growth or foreign materials (including but not restricted to cationic surfactants, solvents, soluble oils, free oils, lipids, and high molecular weight natural polymers.
- Agency must keep media moist at all times after installation.
- Media loss from the bed will be excluded from this warranty. Without limitation, loss of media due to failure of distributors, media traps, or other procedures are the responsibility of the Agency.
- Warranty does not apply if media bed is removed from service before the throughput is reached. Prematurely removing media for reasons including, without exceeding effluent water specifications, uranium loading or high differential pressure will void the warranty.

12.4 Water Monitoring. Agency is responsible for ensuring that frequent, adequate system performance data are routinely recorded in a systematic format that is regularly reviewed. Agency agrees to provide conductivity data on a daily basis, as well as total volume treated. Agency agrees to make this data available to Contractor on a reasonable basis at Contractor's reasonable request. Contractor reserves the right to obtain copies of calibration records for requested parameters.

12.5 Disputes. Should premature breakthrough occur, Contractor reserves the right to inspect installed media bed to investigate effects of flow characteristics. Inspection will include but not be limited to inspection of top of media bed to

ensure that no visible shifting or channeling has occurred, and the collection of water samples and spent media. Should it be determined by Evoqua that premature breakthrough has occurred due to improper operation, warranty will be void.

- 12.6** THE FOREGOING SETS FORTH CONTRACTOR'S SOLE AND EXCLUSIVE WARRANTY AND REMEDY WITH RESPECT TO MEDIA BED LIFE. THIS IS NOT A PERFORMANCE GUARANTEE. CONTRACTOR LIABILITY UNDER THIS WARRANTY SHALL BE LIMITED TO DIRECT DAMAGES ONLY AND SHALL NOT EXCEED THE ANNUAL PRICE PAID TO CONTRACTOR UNDER THE CONTRACT. CONTRACTOR RESERVES THE RIGHT TO UPDATE THIS BED LIFE GUARANTEE ON A YEARLY BASIS.

FURTHERMORE, THE DETECTION OF BACTERIA AT ANY LEVEL IN THE INFLUENT AND INFLUENT DELIVERY MECHANISMS MAY COMPROMISE THE BED LIFE. THEREFORE, EVOQUA ASSUMES NO RESPONSIBILITY OR LIABILITY RELATING TO THE BACTERIOLOGICAL QUALITY OF THE INCOMING WATER OR WITHIN THE WELLS AND SHALL BEAR NO COSTS RELATING TO MEDIA STERILIZATION DUE TO BACTERIA IN THE INCOMING WATER OR ELSEWHERE IN THE WELLS.

- 12.7** THE WARRANTIES SET FORTH IN SECTIONS 11 AND 12 ARE THE CONTRACTOR'S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITATION OF LIABILITY PROVISION BELOW. CONTRACTOR MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE

Section 13. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 13.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 13.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 13.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.

- 13.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.
- 13.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 13.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 13.7** Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 13.8** Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 13.9** Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 13.10** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 13.1, 13.2, 13.4, 13.5, and 13.6 hereof.

Section 14. MISCELLANEOUS PROVISIONS.

- 14.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

- 14.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 14.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 14.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 14.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 14.6 Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 14.7 Contract Administrator.** This Agreement shall be administered by Joel Ledesma, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.
- 14.8 Notices.** Any written notice to Contractor shall be sent to:

Evoqua Water Technologies LLC
Attention: Branch Manager
1440 Venture Lane
Turlock, CA 95380

With a Copy to:
Evoqua Water Technologies LL
Attention: General Counsel
210 Sixth Avenue, Suite 3300
Pittsburgh, PA 15222

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 14.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 14.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 14.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 14.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;
 - 14.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
 - 14.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
 - 14.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

- 14.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 14.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

14.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.

14.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

14.14 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

14.15 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

Section 15. LIMITATION OF LIABILITY.

NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, CONTRACTOR SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND EXCEPT FOR INDEMNITY OBLIGATIONS FOR THIRD PARTY CLAIMS FOR PERSONAL INJURY, DEATH OR DAMAGE TO TANGIBLE PROPERTY TO EXTENT OF CONTRACTOR'S NEGLIGENCE, CONTRACTOR'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE WORK, INCLUDING WITHOUT LIMITATION ANY LIABILITY FOR ALL WARRANTY CLAIMS OR FOR ANY BREACH OR FAILURE TO PERFORM ANY OBLIGATION UNDER THE CONTRACT, SHALL NOT EXCEED ONE MILLION DOLLARS PAID FOR THE WORK. THESE LIMITATIONS APPLY WHETHER

THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

EVOQUA WATER TECHNOLOGIES, LLC

Date _____

Date _____

RANDY S. HOWARD,
General Manager

ROD MCNELLY,
Vice President/GM-GIS

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

Evoqua Water Technologies, LLC ("Contractor") shall provide condensate polisher resin regeneration, DI mixed bed vessel rental and regeneration, RO & UF membrane cleaning, and other water treatment support services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, NCPA Members, Southern California Public Power Authority (SCPPA) or SCPPA members:

CT Facilities services to include, but not be limited to the following:

Lodi Energy Center – Condensate Polisher

These units will be provided on a rental and exchange basis that will be charged \$100 per month per vessel rental and \$1,458.00 per exchange. The estimated exchange frequency is one (1) vessel per month but this number could change based on the feedwater to the vessels and resin performance. A minimum of two vessels are to be shipped for regeneration at any one time which will still allow for there to be sufficient resin capacity on site for the demineralization process. One vessel is to be in service, with one in standby and one in on-site inventory.

BOTTLE TYPES AND FUNCTIONS*

Num.	Vessel Size	Resin Type	Bottle Function
5	60 ft3 Steel Vessels	Mixed Bed	Removal of dissolved solids to produce de-ionized water

*Note: These vessels remain the property of Evoqua.

FEEDWATER/TREATED WATER SPECIFICATIONS

i. Condensate polisher feed water characteristics:

Parameter	Feed water	Unit
Sodium	< 3	ug/L
Chloride	< 3	ug/L
Sulfate	< 3	ug/L
Phosphate	< 3	ug/L
Silica	< 10	ug/L
Specific Conductivity	< 30	uS/cm
Ammonia (as NH3)	< 5	mg/L
Total Organic Carbon	< 300	ug/L
Temperature Range, normal	70-120	°F
Temperature - peak during bypass	160 for 30-60 min	°F
Total Iron	< 0.2	mg/L

ii. **Treated Water Specification:**

Parameter	Feed water	Unit
Sodium	< 1	ug/L
Chloride	< 1	ug/L
Sulfate	< 1	ug/L
Phosphate	< 1	ug/L
Silica	< 5	ug/L
Specific Conductivity	< 0.1	uS/cm
Temperature Range, normal	90	°F
Temperature - peak during bypass	160 for 30-60 min	°F

REGENERATION PROCEDURE QUALITY CONTROL, AND TROUBLESHOOTING

To provide increased reliability based on proximity, Evoqua worked to establish a reliable regeneration procedure specific for the NCPA condensate polisher resin that could be completed at our facility in Milpitas, CA. The general (approximately 8 hour) regeneration procedure is included below. Dedicated NCPA resin is regenerated alone and is not intermingled with our float resin or resin from another customer. The regeneration procedure is proprietary but we can share a more detailed summary upon request.

Procedure

- Vessel arrival and logging
- Resin separation anion/cation
- Inspect individual resin volume
- Add either or both anion and cation resin from NCPA maintained heel if necessary
- NaOH 50% anion soak – Extended
- HCl 36% cation soak – Extended
- Quality Check
 - <5ppb silica
 - >10 meg ohm resistivity

Quality Control and Troubleshooting

NCPA charges are received and segregated from all other resin as the first step to our quality control and tracking. Following the regeneration above, the following steps are completed to ensure that the resin processed meets the quality specification and run length anticipated:

- High purity DI Water rinse
- Measure rinse water for resistivity targeting >10megohm
- When resistivity target is reached – test rinse water for silica target is <5ppb
- Transfer to vessel, apply batch label, and make ready for shipment.

Troubleshooting is a subjective exercise based on the resin application and the issues being observed. However, a general approach to assessing performance includes:

- Interfacing with Operations to determine system performance
- Determining correct vessel resin volumes
- Vessel inlet/outlet water sampling
- Resin capacity testing

To ensure resin capacity, in addition the resin sampling associated with the current short run troubleshooting, we will conduct annual resin sampling before and after regeneration. Samples to be collected in Milpitas and transferred to Rockford for analysis.

A quality control report will be attached to and provided with the return of each vessel. The quality report will document the date and time the regeneration process started and finished, rinse water Silica, resistivity and chlorides, individual resin volumes as received, volume of resin added, heel volume remaining. Failure to provide the quality report will deem the vessel has not been regenerated. No charge will be incurred for such a vessel and it will be sent back unused for regeneration.

Agency's exhausted resin may be stored at Contractor's facility.

Lodi Energy Center – CT2 (STIG) Mixed Bed Polisher

These units and resin will be provided on a rental and exchange basis that will be charged \$265 per month per vessel rental and \$875.00 per exchange. The estimated exchange frequency is not readily predictable but based on historical data, we anticipate two (2) vessels per month. A minimum of two vessels are to be shipped for regeneration at any one time which will still allow for there to be sufficient resin capacity on site for the demineralization process.

BOTTLE TYPES AND FUNCTIONS*

Num.	Vessel Size	Resin Type	Bottle Function
8	60 ft3 Steel Vessels	Mixed Bed	Removal of dissolved solids to produce de-ionized water

*Note: These vessels remain the property of Evoqua.

CT1 – Lodi Peaker / Alameda Peaker Mixed Bed Polisher

These units and resin will be provided on a rental and exchange basis that will be charged \$18.75 per month per bottle rental and \$62.00 per exchange. The estimated exchange frequency is not readily predictable but based on historical data, we anticipate 64 bottles per year.

BOTTLE TYPES AND FUNCTIONS*

Facility	Num.	Bottle Size	Resin Type	Bottle Function
Lodi	16	3.6 ft3 FRP Bottles	Mixed Bed	Removal of dissolved solids to produce de-ionized water
Alameda	16	3.6 ft3 FRP Bottles	Mixed Bed	Removal of dissolved solids to produce de-ionized water

*Note: These vessels remain the property of Evoqua.

Deionized Mixed Bed Vessel and Bottle Specifications

Parameter	Unit	CT2 (STIG)	CT1 Lodi Peaker	CT1 Alameda Peaker
Quantity	No.	6 (4 in svc 2 stby)	12	16
Volume	Cubic Feet	60	3.6	3.6
Resistivity	Meg Ohm/cm	>10	>10	>10
Silica	Ug/L	<20	<20	<20

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

CT Facilities costs:

<u>Cost Summary</u>	
<u>Item</u>	<u>Estimated Annual Cost</u>
Condensate Polisher Rental	\$6000/year
Condensate Polisher Regen	\$14,175/year
60 cu. ft. DI Vessel Rental	\$25,440/year
60 cu. ft. DI Vessel Regen	\$15,750/year*
3.6 cu. ft DI Vessel Rental	\$7,200/year
<u>Estimated Annual Total Cost</u>	<u>\$68,565/yr</u>

*based on historical exchange frequency

Pricing for services to be performed at other NCPA facilities, NCPA Member or SCPPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

Evoqua Water Technologies, LLC

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

Evoqua Water Technologies, LLC

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

NOT APPLICABLE

EXHIBIT E

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)

EXHIBIT F

Throughput Volume Determination Plan

SUMMARY

Due to the high variability of throughput volumes observed over the past several years, a mutually equitable throughput guarantee could not be determined and included in the current contract renewal. Through review of the data and discussions between Evoqua and NCPA Operations staff, a plan was developed to determine and address the causes of the variability. With the variability addressed, we are confident a mutually agreeable throughput volume guarantee can be determined.

APPROACH

Evoqua observed a recent resin slurry operation, performed by NCPA. At the end of the slurry process, a significant amount of exhausted resin remained in the vessel, visually estimated to be between 10% - 15% of the resin load. Exhausted resin, when later mixed with regenerate resin, will impact the subsequent run by increasing leakage of inorganic constituents. In order to verify that this is the cause of short runs, a mutually-agreed-upon approach was developed to ensure all resin is removed during the slurry process. For the data to be meaningful, the effort will target three consecutive slurry/regeneration events. Historically, for successful runs, the average run time has been about 2.5 months. However, the duration is highly variable based upon plant operation. As a result, the process of generating the necessary data will take several months to complete.

ACTIONS

During each of the next three vessel slurry/regen operations:

- Contact Evoqua prior to initiating sluicing to allow for Evoqua participation
- NCPA to confirm all resin is removed during the sluicing process, preferably with photographs
- Evoqua to grab samples of spent resin prior to and after regeneration for analysis. Analysis will define the level of exhaustion on receipt and validate the efficacy of the regeneration process by measuring the H/OH conversion %.
- Evoqua to photo-verify removal of all resin from transport vessel prior to regeneration.
- Evoqua to quantify that the volume and ratio of spent resin received, and after regeneration. The target regenerated resin volume is 54 cuft with a 2:1 ratio of cation to anion.
- If required, Evoqua will add resin as required to meet the target volume and ratio
- NCPA to track analytical data (NCPA LEC Steam Cycle Chemistry Log) on a periodic basis, as well as total throughput achieved (Condensate Polisher Log) and share that data with Evoqua for mutual verification

Additional step for short run:

- Open 20" manway to inspect resin bed PRIOR to sluicing
- o Due to the high velocity operation, bed mixing is possible, and inspection may provide insight into this possible contributor to a short run

CONCLUSION

Data review after the conclusion of the three controlled vessel change outs will be used to identify a mutually agreeable throughput guarantee.



Commission Staff Report

Date: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Sulzer Turbo Services Houston, Inc. – Five Year Multi-Task General Services Agreement for Inspection and Maintenance Related Services; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities (except LEC), NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>gsl</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

IMPACTED MEMBERS:

All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
San Francisco Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	Other <input type="checkbox"/>

If other, please specify

RECOMMENDATION:

Approve Resolution 20-69 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Sulzer Turbo Services Houston, Inc. for inspection and maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at all facilities owned and/or operated by NCPA (except LEC), NCPA Members, by SCPPA, or by SCPPA Members.

BACKGROUND:

Inspection and maintenance services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA (except LEC), NCPA Members, by SCPPA, or by SCPPA Members. NCPA had a previous agreement in place with Sulzer Turbo Services Houston, Inc., which is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future projects. NCPA has a pending agreement for similar services with Allied Power Group.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$3,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

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 seeks bids from as many qualified providers as possible. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Randy S. Howard".

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Sulzer Turbo Services Houston, Inc.

RESOLUTION 20-69

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH SULZER TURBO
SERVICES HOUSTON, INC.

(reference Staff Report #203:20)

WHEREAS, inspection and maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA) (except LEC), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Sulzer Turbo Services Houston, Inc. is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Sulzer Turbo Services Houston, Inc. to provide such services as needed at all NCPA facilities (except LEC), NCPA Members, SCPPA, and SCPPA Member facilities, in an amount not to exceed \$3,000,000 over five years; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Sulzer Turbo Services Houston, Inc., for inspection and maintenance related services, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at all facilities owned and/or operated by NCPA (except LEC), NCPA Members, by SCPPA, or by SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
SULZER TURBO SERVICES HOUSTON, INC.**

This Multi-Task General Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Sulzer Turbo Services Houston, Inc., a Delaware corporations with its office located at 11518 Old La Porte Road, La Porte, TX 77571 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2020 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end after five (5) years, however, subject to the terms of Section 8.3 of this Agreement, the Agreement shall remain in effect for Work remaining to be performed after the Agreement expires, not to exceed four (4) months unless the Agreement is extended in writing by mutual consent of the Parties.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members, in which case the terms of this Agreement shall apply to the members issuing or benefiting from the Work as if those members were the Agency.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the

Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount as specified in the Purchase Order for the Work, and any approved Change Orders under that Purchase Order, **NOT TO EXCEED THREE MILLION** dollars (\$3,000,000.00) for the Work under the Agreement, which shall include all fees, costs, expenses and other reimbursables, to the extent applicable for the Work as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B, which Exhibit B may be updated to reflect Contractor's then-current rates not more than once every twelve (12) months. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- NCPA personnel will sign time cards for work performed at the job site and will be attesting only to the amount of time each individual spent at the job site but will not making any determination or conformation that such work is in or out of scope. At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable

costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor. Agency shall pay undisputed portions of a disputed invoice net 30.

- 2.3 Payment of Taxes.** Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.
- 2.4 Authorization to Perform Work.** The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.
- 2.5 Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

Section 4. INSURANCE REQUIREMENTS. Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.
- 4.2 Commercial General and Automobile Liability Insurance.**
- 4.2.1 Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention of no more than \$100,000. Contractor agrees that it shall not allow endorsements or other modifications which will materially and adversely affect or eliminate the coverage required herein.

4.2.2 Automobile Liability. Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Not Applicable.

4.4 Pollution Insurance. Not Applicable.

4.5 All Policies Requirements.

4.5.1 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured to the extent and only to the extent, of Contractor's indemnity obligations under this Agreement, and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 Notice of Reduction in or Cancellation of Coverage. Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5.3 Higher Limits. Not Applicable.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.5.5 Waiver of Subrogation. Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that

may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

- 4.6 Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not affect or relieve Contractor from liability under this Section 5, the indemnification and hold harmless clause. The insurance coverages required under this Agreement are separate from Contractor's other obligations under this Agreement. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that the provisions of this section are a material element of consideration.
- 5.2 Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of Contractor's negligent acts or omissions or those of Contractor's officers, officials, agents, and employees in the performance of Work under this Agreement except as caused by the active, sole, or gross negligence of Agency. Each party shall assume its sole and gross negligence.
- 5.3 Transfer of Title.** This section is only applicable if Contractor is transporting hazardous materials to Agency's site. If Contractor's Work involves its transporting hazardous materials, Contractor shall be deemed to be in exclusive possession and control of such materials and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of such materials, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Contractor or its agents complete transfer of such materials into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a

federal, state or local regulatory agency, Contractor shall be responsible for all such notifications. Should Contractor be required to remedy or remove such materials as a result of a leak, spill, release or discharge of such materials into the environment at Agency's Site or elsewhere, Contractor agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

Section 6. STATUS OF CONTRACTOR.

6.1 Independent Contractor. Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 Certification as to California Energy Commission.** Not Applicable. No Work will be performed at NCPA's Lodi Energy Center facility.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** Not Applicable. No Work will be performed at NCPA's Lodi Energy Center facility.
- 6.6 Maintenance Labor Agreement.** Not Applicable. No Work will be performed at NCPA's Lodi Energy Center facility.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

- 7.4 Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each

worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination and unless the Work is terminated because of Contractor's default, Agency shall also pay Contractor's actual, reasonable, and unavoidable costs arising from such termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents created to perform the Work for Agency under this Agreement (as referenced in Section 9.1 hereof).

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.

- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

- 8.4 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement and fails to cure or commence immediately after notice to cure and to prosecute diligently to completion a cure, including but not limited to those set forth in Section 4, Agency's remedies are:

8.4.1 Immediately terminate the Agreement for cause;

8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor and due to Company as a deliverable, including but not limited to TurboDOCs, under the Purchase Order pursuant to this Agreement;

8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or

8.4.4 Charge Contractor the difference between the actual, reasonable, and necessary costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Contractor's Performance.** Subject to any rights, title or interests expressly granted by this Agreement, no Party shall acquire any

right, title, or interest in or to any intellectual property (including, without limitation, patents, copyright and trade secrets) of any other party. In addition, nothing herein shall be construed to mean that Contractor's patterns, tools, equipment, shop drawings, or any other item not specified as deliverable shall be or become the property of Agency or that Contractor shall be required to deliver such items unless expressly identified as a deliverable. Nonetheless, Contractor shall provide all as built drawings created by Contractor or that would be needed for Agency to maintain the Work performed on Agency's equipment. Contractor grants to Agency a perpetual, royalty-free, non-exclusive license to use and reproduce such discoveries, inventions, developments, improvements, and techniques to the extent necessary for the operation, maintenance, and repair of the Work delivered pursuant to this Agreement. Other than documents and other material prepared as a deliverable under a Purchase Order, all reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains from the Agency pursuant to this Agreement and that shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement, provided however, that Contractor may keep a copy of such information in its files under the same confidentiality terms contained in this Agreement for archival purposes. Agency and Contractor agree that, unless approved by Agency in writing or unless required by law, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

9.2 Contractor's Books and Records. Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement. Agency shall not have the right to audit the component costs of Work done on a fixed-price basis except to the extent such audit is needed to verify that Contractor has complied with all prevailing wage laws, rules, and regulations and any other audit requirements from the State of California.

9.4 Confidential Information and Disclosure.

9.4.1 Confidential Information. The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor, unless prohibited by applicable law, to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information,

subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

- 10.1 Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work, other than cranes provided to Contractor by Agency or the entity for which Work is performed.

Section 11. WARRANTY.

- 11.1 Nature of Work.** Contractor warrants that during the Warranty Period set out in Section 11.2 all Work shall be free from defects in design (if of Contractor's design) and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.
- 11.2 Deficiencies in Work.** Contractor warrants that the Work will be performed in a good and workmanlike manner and will be as described in the Agreement for twelve (12) months after completion of the Work, or eighteen (18) months from shipment, whichever occur first ("Warranty Period"). If within the Warranty Period any Work fails to conform to this warranty, then in complete fulfillment of all its liabilities under this warranty and provided that Agency gives Contractor prompt written notice of such failure, Contractor shall, at Contractor's option, rework, repair, or replace the defective Work. Agency shall give Contractor the opportunity to perform or to witness removal of Contractor's defective Work if such removal is not performed by Contractor. Nonetheless, Contractor cannot delay action by Agency to gain access to or correct defective work. If Contractor is not available to witness or perform removal after reasonable notice to Contractor, Agency may proceed with removal without voiding or limiting the warranty. Unless Contractor is either unwilling or unable to do so in a timely manner as determined by Agency after consulting with Contractor, Contractor shall be permitted the first opportunity to perform any removal of the Contractor's Goods or Work required in connection with the Work. Failure of Agency to furnish notice of failure or give Contractor the opportunity to witness such removal or provide the manpower for the warranty rework, repair, or replacement may at Contractor's option void or limit Contractor's warranty under the Agreement.

No Work shall be deemed to have failed to meet Contractor's warranty or to be in any way defective by reason of normal wear and tear, failure to resist erosive or corrosive action of any fluid or gas, Agency's failure to properly store, install, operate or maintain the Work in accordance with good industry practices or specific recommendations of Contractor, or Agency's failure to provide complete and accurate information to Contractor concerning the operational application of the Work.

Agency shall make the replacement part(s) available for correction unless installation of the defective equipment was a component or the Work. If Contractor did not install the defective equipment and a root cause analysis shows that Contractor's Work was the cause of the defect, then Contractor shall reimburse Agency for its actual, reasonable, and necessary costs of making the defective parts available to Contractor. The warranty contained in this Section 11 will terminate immediately, if Agency or a third party undertakes inappropriate or improper modifications or repairs or if Agency, in case of a defect, does not promptly notify Contractor in writing of its obligations to remedy such defect and

promptly take all appropriate steps to mitigate damages. Correction of non-conformities in the manner and for the period of time provided in this Section 11 shall constitute fulfillment of all liabilities of Contractor to Agency with respect to such Equipment and are Agency's sole remedy with respect to defects in the Work after commencement of the Warranty Period.

Contractor shall not be liable for costs of removal, reinstallation, or gaining access unless installation of the defective part or parts was an element of the Work. The re-performance, repair or replacement of the Work or spare or replacement parts by Contractor under the provisions of this Section 11 shall constitute Contractor's sole obligation and Agency's sole and exclusive remedy for all claims of defects regarding the Work.

Contractor shall not be liable for any loss or damage from its failure to discover or repair latent defects or inherent defects in Agency's equipment design unless that discovery is part of the scope of work.

For the parts of the Work that have been replaced or repaired under this warranty, the Warranty Period will commence again and be for a period not to exceed six (6) months after replacement or completion of the rework, repair or replacement, as applicable, or the end of the original Warranty Period, whichever is later, and no case shall extend longer than eighteen (18) months after the start of the original Warranty Period.

- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, provided by or reasonably obtainable at no cost to Contractor from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.

- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.
- 12.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7** Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8** Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9** Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13. MISCELLANEOUS PROVISIONS.

- 13.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

- 13.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 13.7 Contract Administrator.** This Agreement shall be administered by Joel Ledesma, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.
- 13.8 Notices.** Any written notice to Contractor shall be sent to:

Sulzer Turbo Services Houston, Inc.
Attention: Tony Dunkle
11518 Old La Porte Road
La Porte, TX 77571

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive

Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 13.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;
 - 13.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
 - 13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
 - 13.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
 - 13.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
 - 13.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative

dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

- 13.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.
- 13.13 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 13.14 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 13.15 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.
- 13.16 Waiver of Certain Damages.** Neither party shall be responsible to the other party for loss of use, loss of profits, loss of electric generation, costs of replacement energy or other consequential damages.
- 13.17 LIMITATION OF LIABILITY. CONTRACTOR'S LIABILITY TO AGENCY OR ANY OF ITS AFFILIATES WITH RESPECT TO ANY WORK PERFORMED OR PROVIDED UNDER THIS AGREEMENT, OR ANYTHING DONE IN CONNECTION THEREWITH, WHETHER SUCH LIABILITY IS BASED ON ANY CONTRACT, INDEMNITY, TORT, (INCLUDING NEGLIGENCE BUT EXCLUDING CONTRACTOR'S GROSS NEGLIGENCE), WARRANTY, STRICT LIABILITY, OR OTHERWISE, BUT EXCLUDING CONTRACTOR'S WILLFUL MISCONDUCT, SHALL NOT EXCEED ON AN ANNUAL BASIS TWO MILLION DOLLARS (\$2,000,000.00) OR THE ANNUAL TOTAL OF THE PURCHASE ORDER AMOUNTS, WHICHEVER IS GREATER.**
- 13.18 Good Faith and Fair Dealing.** Except where explicitly stated otherwise, the performance of all obligations and the exercise of all rights by each Party shall be governed by the principle of good faith and fair dealing and by the standard of commercial reasonableness.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

SULZER TURBO SERVICES HOUSTON,
INC.

Date_____

Date_____

RANDY S. HOWARD,
General Manager

ALLEN THORNTON,
VP Sales, North America

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

Sulzer Turbo Services Houston, Inc., ("Contractor") shall provide inspection and maintenance services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency (except NCPA's Lodi Energy Center), NCPA Members, Southern California Public Power Authority (SCPPA) or SCPPA members:

Services to include, but not be limited to the following:

- Compressor inspections
- Combustion inspections (CI)
- Hot gas path inspection (HGP)
- Steam Turbines inspections
- Major turbine inspections
- Process pumps and compressors
- Turbine overhaul and valve maintenance
- Field machining and Millwright services
- Propose resource requirements for maintenance outages
- Crane support and operation
- Project management, turbine tooling kits, and transportation of all equipment
- Provide engineering and senior technical advisors and support packages as required.

Sulzer Turbo Services Houston, Inc. is not a signatory to the Maintenance Labor Agreement for the Lodi Energy Center Project and therefore will not perform any such work at that NCPA facility.

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

RATE SCHEDULE FOR DOMESTIC US WEST COAST PREVAILING WAGE LABOR (ON-SHORE)

Effective July 1, 2020 through June 30, 2021

Field Service Rates S/per hour

Classification	Straight Time	Overtime	Premium Time
Millwright Area 1-2 Southern California	\$127.00	\$154.00	\$182.00
Millwright Area 1 Northern California	\$148.00	\$180.00	\$212.00
Millwright Area 2-3 Northern California	\$144.00	\$174.00	\$204.00
Millwright Area 4 Northern California	\$142.00	\$172.00	\$202.00
Foreman Southern California	\$132.00	\$162.00	\$192.00
Foreman Northern California	\$155.00	\$190.00	\$225.00
Supervisor/Technician	\$126.00	\$189.00	\$252.00
Safety Personnel/Scheduler	\$126.00	\$189.00	\$252.00
Technical Director/Superintendent	\$156.00	\$234.00	\$312.00
Project Manager	\$180.00	\$270.00	\$360.00
Technical Services Engineer	\$180.00	\$270.00	\$360.00
Senior Technical Services Engineer	\$216.00	\$324.00	\$432.00
Field Equipment			
Laser Alignment, Tracking Instrumentation		\$375.00	Shift
Sulzer Owned Video-Scope		\$750.00	Day
Vibration Analysis and Data Acquisition (ADRE 408)		\$660.00	Shift
Sulzer Owned Hydraulic Wrench		\$350.00	Shift
Rotating Tool Unit		\$400.00	Shift
Reciprocating or Pump tool unit		\$200.00	Shift
Minimum Daily Hand Tooling Charge Applicable if no tool unit is utilized		\$250.00	Day
ERAG (Aligning seals and diaphragms)		\$300.00	Shift
Crew Truck (plus mileage)		\$10.00	Hour

Sulzer does not accept "Not to Exceed" Purchase Orders

8 Hours Minimum Daily Billing Excluding Travel							
All Craft Hours and Rates are Billable as Designated Below							
Craft Labor Must Be Accompanied by a Supervisor Level or Above for On-Site Services							
<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>	<i>Sunday</i>	<i>Holidays*</i>
8-ST	8-ST	8-ST	8-ST	8-ST	12-OT	All-PT	All-PT
>8=OT	>8=OT	>8=OT	>8=OT	>8=OT	>12=PT		
>12=PT	>12=PT	>12=PT	>12=PT	>12=PT			
Max=16	Max=16	Max=16	Max=16	Max=16	Max=16	Max=16	Max=16

Application of Hourly Charges					Pass Through Costs	
Designation	Hours		Designation	Time	Costs +	Rate
Standby*	8		Standby	ST/OT	Travel	+ 20%
Fatigue*	8		Fatigue	ST/OT	Per diem*	+ 10%
Travel*	Actual to 8		Travel	ST/OT	Training	+ 20%
Badging	Actual		Badging	ST/OT/PT	Goods/Rentals	+ 20%
Site Entry	Actual		Site Entry	ST/OT/PT	Consumables	+ 20%
Track/Administration	Actual		Track/Administration	ST/OT/PT	Shipping	+ 20%
Timekeeper/Training	Actual		Timekeeper	ST/OT/PT	Crane/P-wage	+ 25%
Mileage*	\$1 per mile		Training	ST/OT/PT	Subcontractor	+ 20%

Pass Through Costs	Every effort will be made to insure that no costs are required to be passed through with a mark-up, costs for shipping, cranes, consumables, rental equipment and subcontracted services may be born by the site to insure that no mark-ups would be applicable through Sulzer. In the event Sulzer must bear the cost burden of pass through, the pass through mark-ups listed shall apply
* Holidays =	Sulzer USA recognized Holidays (Observed Holiday dates to be presented as applicable)
* Per diem =	gsa.gov allowable rate for the lodging zip code – per diem applies for all personnel 7 days a week
*Standby =	Applies for each scheduled work-day, not worked, for reasons beyond the control of Sulzer. Charges continue to be levied for living expenses, vehicles, tools, equipment, and third party support.
*Fatigue =	8 Hours standby unless quoted otherwise
*Travel =	Up to 8 hours unless otherwise quoted and necessary for specific equipment or vehicle mobilization
*Mileage =	Mileage is for MOB/DMOB and daily commuting when beyond 15 minutes to work-site
Lunch =	8 or 10 hour shifts do not include paid lunch. 12 hour shifts include a paid lunch.

*Subsequent year union rate increases shall reflect the P-wage annually calculated Sulzer cost, plus the applicable mark-up

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.



18

Commission Staff Report

Date: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Pure Process Filtration, Inc. – Five Year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies; Applicable to the following projects: Northern California Power Agency (NCPA) CT Facilities

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>JLP</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

IMPACTED MEMBERS:

All Members	<input type="checkbox"/>	City of Lodi	<input checked="" type="checkbox"/>	City of Shasta Lake	<input type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc	<input checked="" type="checkbox"/>	City of Ukiah	<input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input checked="" type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Plumas-Sierra REC	<input checked="" type="checkbox"/>
City of Biggs	<input checked="" type="checkbox"/>	City of Redding	<input checked="" type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>	City of Roseville	<input checked="" type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara	<input checked="" type="checkbox"/>	Other	<input checked="" type="checkbox"/>

If other, please specify

Azusa, CDWR, Modesto

PWRPA

RECOMMENDATION:

Approve Resolution 20-70 authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Pure Process Filtration, Inc. for filter purchases and storage of goods, 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 the NCPA CT facilities.

BACKGROUND:

Filter purchases and storage of filters are required from time to time for the operation and maintenance of the NCPA CT facilities. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into this agreement so established terms and conditions are in place for future purchases and storage of goods. NCPA has no additional executed agreements for similar purchases and/or storage services.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$1,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time goods or services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from as many qualified providers as possible, bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the goods/services needed at the time they are required.

ENVIRONMENTAL ANALYSIS:

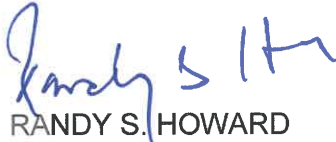
This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 12, 2020, and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Pure Process Filtration, Inc.

RESOLUTION 20-70

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK AGREEMENT FOR PURCHASE OF EQUIPMENT,
MATERIALS AND SUPPLIES WITH PURE PROCESS FILTRATION, INC.

(reference Staff Report #204:20)

WHEREAS, filter purchases and storage of filters are required from time to time for the operation and maintenance of the Northern California Power Agency (NCPA) CT facilities; and

WHEREAS, Pure Process Filtration, Inc. is a provider of these goods and services; and

WHEREAS, NCPA seeks to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Pure Process Filtration, Inc. to provide such goods and services as needed at the NCPA CT facilities, in an amount not to exceed \$1,000,000 over five years; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Pure Process Filtration, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years, for filter purchases and storage of goods, for use at the NCPA CT facilities.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES
BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
PURE PROCESS FILTRATION, INC.**

This Agreement for Purchase of Equipment, Materials and Supplies ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency, with its main offices located at 651 Commerce Drive, Roseville, CA, 95678-6420 ("Agency") and Pure Process Filtration, Inc., ("Supplier"), whose principal office is located at 7429 Lampson Avenue, Garden Grove, CA 92841 (together sometimes referred to as the "Parties") as of _____, 2020 (the "Effective Date").

Section 1. SCOPE. In accordance with the terms and conditions set forth in this Agreement, Supplier is willing to deliver the equipment, materials and supplies ("Goods") described in Exhibit A, attached hereto and incorporated herein to the designated Project Site, DDP, when requested by the Agency. Supplier shall be responsible at its sole expense for delivering the Goods to the designated Project Site and title shall not pass until the Agency accepts delivery at this Site. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

Section 2. PROJECT SITE. Goods provided under this Agreement by Supplier may include Goods delivered directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement Goods may be stored at Supplier's warehouse in Garden Grove, California.

Section 3. TERM OF AGREEMENT. This Agreement shall begin upon Effective Date and shall end on the earlier of five (5) years after the Effective Date or when Supplier has provided to Agency the Goods described in Exhibit A.

Section 4. REQUEST FOR GOODS. At such time that Agency determines to have Supplier provide Goods under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Goods to be provided ("Requested Goods"), may include a not-to-exceed cap or monetary cap on the Requested Goods and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Goods shall be delivered. Supplier shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Supplier chooses not to provide the Requested Goods. If Supplier agrees to provide the Requested Goods, begins to provide the Requested Goods, or does not respond within the seven day period specified, then Supplier will have agreed to provide the Requested Goods on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 5. COMPENSATION. Agency hereby agrees to pay Supplier for the Goods an amount not to exceed ONE MILLION DOLLARS (\$1,000,000.00) as total compensation under this Agreement, which includes all shipping, taxes (if applicable), insurance, delivery charges, and any other fees, costs or charges. This dollar amount is not a guarantee that Agency will pay that full amount to the Supplier, but is merely a limit of potential Agency expenditures under this Agreement.

- 5.1 Invoices.** Supplier shall have ninety (90) days after the delivery of Goods to invoice Agency for all amounts due and outstanding under this Agreement. Supplier shall include the number of the Purchase Order which authorized the Goods for which Supplier is seeking payment. In the event Supplier fails to invoice Agency for all amounts due within such ninety (90) day period, Supplier waives its right to collect payment from Agency for such amounts. All invoices shall be submitted to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

- 5.2 Payment.** Agency shall pay all invoices within thirty (30) days of the receipt of any invoice for Goods satisfactorily received.
- 5.3 Timing for Submittal of Final Invoice.** Supplier shall have ninety (90) days after delivery of the Requested Goods to submit its final invoice for the Requested Goods. In the event Supplier fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Supplier is deemed to have waived its right to collect its final payment for the Requested Goods from Agency.

Section 6. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Supplier, at its own cost and expense, shall procure the types and amounts of insurance listed below for the period covered by the Agreement.

- 6.1 Workers' Compensation.** If Supplier employs any person, Supplier shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Supplier with limits of not less than one million dollars (\$1,000,000) per accident.
- 6.2 Automobile Liability.** Supplier shall maintain automobile liability insurance for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle, whether or not owned by the Supplier, on or off Agency premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with \$1,000,000 aggregate. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment utilized in the transport of the Goods to the Agency's Project Site.
- 6.3 Commercial General Liability (CGL).** Supplier shall maintain commercial general liability coverage covering Goods, including product liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Supplier in regard to this Agreement with not less than \$3,000,000/\$5,000,000 aggregate for bodily injury and property damage, on an occurrence basis. No endorsement shall be attached limiting the coverage.

6.4 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

6.5 All Policies Requirements.

6.5.1 Verification of Coverage. Prior to beginning any work under this Agreement, Supplier shall, at the sole option of the Agency, provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the automobile liability policy and the CGL policy adding the Northern California Power Agency as an Additional Insured and declaring such insurance primary in regard to work performed pursuant to this Agreement and that Agency's insurance is excess and non-contributing.

6.5.2 Notice of Reduction in or Cancellation of Coverage. Supplier agrees to provide at least thirty (30) days prior written notice of any cancellation or reduction in scope or amount of the insurance required under this Agreement.

6.5.3 Waiver of Subrogation. Supplier agrees to waive subrogation which any insurer of Supplier may acquire from Supplier by virtue of the payment of any loss. Supplier agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

6.5.4 Self-Insured Retention. Supplier shall declare the amount of the self-insured retention to the Agency; the amount shall be not more than \$100,000.

6.6 Pollution Insurance. Not Applicable.

Section 7. WARRANTY. In addition to any and all warranties provided or implied by law or public policy, or any other warranties provided by Supplier, Supplier warrants that all Goods are free from defects in design and workmanship; comply with applicable federal, state and local laws and regulations; are new, of good quality and workmanship, and free from defects; are suitably safe and sufficient for the purpose for which they are normally used; and are not subject to any liens or encumbrances. Supplier shall provide all Goods in accordance with all applicable engineering, construction and other codes and standards, in accordance with prudent electrical utility standards, and in accordance with the terms of this Agreement applicable to such Goods, all with the degree of high quality and workmanship expected from purveyors engaged in the practice of providing materials and supplies of a similar nature. Moreover, if, during the term of this Agreement (or during the one (1) year period following the term hereof, unless Supplier's warranty is for greater than one (1) year, in which case Supplier's warranty shall be applied), the Goods provided by Supplier under this Agreement fail due to defects in material and/or workmanship or other breach of this Agreement, Supplier shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

Section 8. INDEMNIFICATION AND SUPPLIER'S RESPONSIBILITIES.

- 8.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Supplier from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Supplier acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 8.2 Scope.** Supplier shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Supplier, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.
- 8.3 Transfer of Title.** Supplier shall be deemed to be in exclusive possession and control of the Goods and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of any Goods, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Supplier or its agents complete transfer of the Goods into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Supplier shall be responsible for all such notifications. Should Supplier be required to remedy or remove Goods as a result of a leak, spill, release or discharge of Goods into the environment at Agency's Site or elsewhere, Supplier agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

If Agency requests and Supplier agrees to store Goods at Supplier's Garden Grove, California location, title for stored Goods shall pass to Agency when Goods are secured at Supplier's location. As Supplier shall retain possession of the Goods, Supplier shall be responsible for providing insurance for any damage or injury to or caused by stored Goods while stored at Supplier's site and in transit until Agency accepts delivery at Agency's Site. Supplier agrees to store Goods consistent with any specifications by the manufacturer to maintain any warranties or guaranties provided by the manufacturer and consistent with good utility practice. Agency agrees to pay Supplier for Storage in accordance with the pricing provided in Exhibit B or as specified in a Purchase Order.

Section 9. MISCELLANEOUS PROVISIONS.

- 9.1 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Supplier and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 9.2 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 9.3 Compliance with Applicable Law.** Supplier shall comply with all applicable federal, state, and local laws, rules and regulations in regard to this Agreement and the Goods supplied hereunder.
- 9.4 Construction of Agreement.** The Parties agree that the usual construction of an agreement against the drafting party shall not apply here.
- 9.5 Supplier's Status.** Supplier is an independent contractor and not an employee or agent of NCPA.
- 9.6 Non-assignment.** Supplier may not assign this Agreement without the prior written consent of NCPA, which shall not be unreasonably withheld.
- 9.7 Governing Law.** This Agreement and all matters pertaining to it, shall be governed by the laws of the State of California and venue shall lie in Placer County or in the county to which the Goods are delivered.
- 9.8 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 9.9 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 9.10 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 9.11 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 9.12 Conflict of Interest.** Supplier may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Supplier in a "conflict of interest," as that term is defined in the

Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Supplier shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

9.13 Contract Administrator. This Agreement shall be administered by Joel Ledesma, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

9.14 Notices. Any written notice to Supplier shall be sent to:

Pure Process Filtration, Inc.
Attention: Melinda Limas
7429 Lampson Avenue
Garden Grove, CA 92841

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

9.15 Alternative Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Supplier agree to resolve the dispute in accordance with the following:

9.15.1 Each party shall designate a senior management or executive level representative to negotiate any dispute.

9.15.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

9.15.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails,

the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

9.15.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

9.15.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

9.15.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

9.16 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Supplier's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Supplier's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Supplier's Proposal (if any), the Purchase Order shall control.

9.17 Certification as to California Energy Commission. If requested by the Agency, Supplier shall, at the same time it executes this Agreement, execute Exhibit B.

9.18 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors. If requested by the Agency, Supplier shall, at the same time it executes this Agreement, execute Exhibit C.

9.19 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties.

9.20 Amendments. The Parties may amend this Agreement only by a writing signed by both of the Parties.

SIGNATURES ON FOLLOWING PAGE

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

PURE PROCESS FILTRATION, INC.

Date: _____

Date: _____

RANDY S. HOWARD,
General Manager

MELINDA LIMAS,
President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

PURCHASE LIST / SCOPE OF WORK

As requested by Agency, Supplier shall provide Equipment, Materials and Supplies ("Goods") including:

- Filters for CT Facilities
- Storage of Goods at Supplier's Garden Grove, California location.

NOT APPLICABLE

EXHIBIT B

CERTIFICATION

Affidavit of Compliance for Suppliers

I, _____

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

NOT APPLICABLE

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

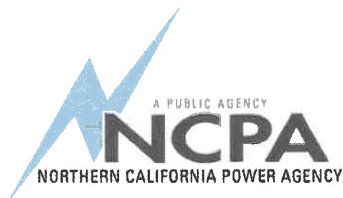
(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.



19

Commission Staff Report

DATE: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Ancon Marine dba Ancon – Five Year Multi-Task General Services Agreement for Specialized High Pressure Cleaning, Vacuum Trucks, Safety and Fire Watch Services; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>J.L.</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Geothermal	

IMPACTED MEMBERS:		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
San Francisco Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	Other <input type="checkbox"/>
<i>If other, please specify</i>		
<hr/>		
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RECOMMENDATION:

Approval of Resolution 20-71 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Ancon Marine dba Ancon for specialized high pressure cleaning, vacuum trucks, safety and fire watch services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members.

BACKGROUND:

Specialized high pressure cleaning, vacuum trucks, safety and fire watch services are required from time to time for the operation and maintenance of NCPA facilities and those of our Members and SCPPA. Ancon Marine dba Ancon is a new vendor for NCPA. NCPA's Geothermal staff was contacted by Ancon Marine dba Ancon, who expressed a desire to be added to NCPA's vendor list for services, because they routinely work in the Geysers area. After having met with this vendor, staff recommends that NCPA enter into an enabling agreement with Ancon Marine dba Ancon, so established terms and conditions are in place should this vendor be the successful bidder on future projects. Also, increasing the pool of qualified vendors willing to work in the more remote location of NCPA's Geothermal facility results in more competitive bidding when services are needed. NCPA has enabling agreements in place for similar services with Gifford's Backhoe Services and Brian Davis dba Northern Industrial Construction.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$2,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

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 and seek bids from as many qualified providers as possible. Bids are awarded to the vendor providing the overall best value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 12, 2020, and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Ancon Maine dba Ancon

RESOLUTION 20-71

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH ANCON MARINE DBA ANCON

(reference Staff Report #205:20)

WHEREAS, specialized high pressure cleaning, vacuum trucks, safety and fire watch services are periodically required at the facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Ancon Marine dba Ancon is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Ancon Marine dba Ancon to provide such services as needed at all NCPA facilities, NCPA Members, SCPPA, and SCPPA Member facilities, in an amount not to exceed \$2,000,000 over five years; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Ancon Marine dba Ancon, for scaffolding and insulation services, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
ANCON MARINE DBA ANCON**

This Multi-Task General Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Ancon Marine, a corporation, doing business as Ancon, and also known as Ancon Marine, Inc. and Ancon Services (collectively "Ancon"), with its office located at 22707 Wilmington Avenue, Carson, CA 90745 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2020 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does

not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED TWO MILLION** dollars (\$2,000,000) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 Payment of Taxes. Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

- 2.5 Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

Section 4. INSURANCE REQUIREMENTS. Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional/Environmental Liability Insurance. Contractor shall maintain professional/environmental liability insurance appropriate to Contractor's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000) and two million dollars (\$2,000,000) aggregate covering the Contractor's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000.00) per claim.

4.4 Pollution Insurance. Not Applicable

4.5 All Policies Requirements.

4.5.1 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 Notice of Reduction in or Cancellation of Coverage. Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5.3 Higher Limits. If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCLPA and/or SCLPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCLPA and/or SCLPA member for which the Work is to be performed.

4.5.5 Waiver of Subrogation. Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

- 4.6 **Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 5.2 **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

Section 6. STATUS OF CONTRACTOR.

- 6.1 **Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of

Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.

- 6.5 **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the

State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.

- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

- 8.4 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

- 8.4.1 Immediately terminate the Agreement;
- 8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
- 8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or
- 8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.
- 9.4 **Confidential Information and Disclosure.**
 - 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise,

where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the

Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

- 10.1 Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in

accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

- 11.2 Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for

any Work performed when, Contractor is not in full compliance with this Section 12.

- 12.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7** Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8** Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9** Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13. MISCELLANEOUS PROVISIONS.

- 13.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

- 13.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

- 13.7 Contract Administrator.** This Agreement shall be administered by Joel Ledesma, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.
- 13.8 Notices.** Any written notice to Contractor shall be sent to:

Rudy Ibarra
Operation Manager
Ancon Marine dba Ancon
3867 Teal Court
Benicia, CA 94510

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 13.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;
 - 13.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
 - 13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
 - 13.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
 - 13.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
 - 13.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

- 13.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.
- 13.13 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 13.14 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 13.15 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

SIGNATURES ON FOLLOWING PAGE

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The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

ANCON MARINE DBA ANCON

Date _____

Date _____

RANDY S. HOWARD, General Manager

KRIS PALMERTON, Vice President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

Ancon Marine dba Ancon ("Contractor") shall provide specialized high pressure cleaning of industrial equipment services, including labor and materials for outages and general maintenance work, as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority ("SCPPA") or SCPPA Members.

Services include, but are not limited to the following:

- Tank Cleaning
 - Tank Cleaning
 - Waste Minimization
- Turnaround Services
 - Automated Pad Work
 - Fin Fan Exchanger
 - Fixed Tube Exchanger
 - Liquid Vacuum Trucks
 - Wet-Dry Vacuum Trucks
- Professional Services
 - Diversified Compliance Solutions (DCS)
 - Confined Space Technical Rescue Teams
 - Person in Charge (PIC) Services
 - Field Safety Professionals
 - Attendant Safety Watch, Fire Watch, Bottle Watch-Safety Overseers
- Emergency Response
 - Emergency Response

The Scope of Work specifically excludes any transport of hazardous materials.

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Following are prevailing wage rates for services including labor and/or required equipment:

Driver

- Straight Time \$109.87
- Overtime \$139.11
- Double Time \$168.34

Hydorblast Tech

- Straight Time \$97.21
- Overtime \$124.00
- Double Time \$150.77

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C
CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

NOT APPLICABLE

EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT E

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Commission Staff Report

Date: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Rege Construction – Five Year Multi-Task General Services Agreement for General Services; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>JL</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Geothermal	

IMPACTED MEMBERS:		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
San Francisco Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	Other <input type="checkbox"/>
<i>If other, please specify</i>		

RECOMMENDATION:

Approve Resolution 20-72 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Rege Construction for general maintenance services, including grading, excavation, and paving, 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, NCPA Members, by SCPPA, or by SCPPA Members.

BACKGROUND:

General maintenance services, including grading, excavation, and paving, are required from time to time for the operation and maintenance of NCPA facilities and those of our Members and SCPPA. Rege Construction is a new vendor for NCPA. NCPA's Geothermal staff was contacted by Rege Construction, who expressed a desire to be added to NCPA's vendor list for services, because they routinely work in the Geysers area. After having met with this vendor, staff recommends that NCPA enter into an enabling agreement with Rege Construction, so established terms and conditions are in place should this vendor be the successful bidder on future projects. Also, increasing the pool of qualified vendors willing to work in the more remote location of NCPA's Geothermal facility results in more competitive bidding when services are needed. NCPA currently has enabling agreements in place for similar services with Epidendio Construction, Inc., Gifford's Backhoe Services, Northern Industrial Construction, and Granite Construction Company (pending).

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$1,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

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 and seek bids from as many qualified providers as possible. Bids are awarded to the vendor providing the overall best value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 12, 2020, and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Rege Construction

RESOLUTION 20-72

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH REGE CONSTRUCTION

(reference Staff Report #206:20)

WHEREAS, general maintenance services, including grading, excavation, and paving, are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Rege Construction is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Rege Construction, to provide such services at needed at all NCPA, NCPA Member, SCPPA, and SCPPA Member facilities, in an amount not to exceed \$1,000,000 over five years; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Rege Construction, for general maintenance services, including grading, excavation, and paving, with any non-substantial changes as 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, NCPA Members, by SCPPA, or by SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
REGE CONSTRUCTION, INC.**

This Multi-Task General Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Rege Construction, Inc., a corporation with its office located at 600 Santana Drive, Cloverdale, CA 95425 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2020 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** ONE MILLION dollars (\$1,000,000) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 Payment of Taxes. Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

- 2.5 Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

Section 4. INSURANCE REQUIREMENTS. Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Not Applicable

4.4 Pollution Insurance. If Contractor's Work involves its transporting hazardous materials, then Contractor shall obtain and maintain Contractors' Pollution Liability Insurance of not less than two million dollars (\$2,000,000) for any one occurrence and not less than four million dollars (\$4,000,000) aggregate. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000.00) per claim. Such insurance shall be on "an occurrence" basis. In addition, Contractor shall ensure that such insurance complies with any applicable requirements of the California Department of Toxic Substances Control and California regulations relating to the transport of hazardous materials (Health & Safety Code sections 25160 *et seq.*).

"Hazardous Materials" means any toxic or hazardous substance, hazardous material, dangerous or hazardous waste, dangerous good, radioactive material, petroleum or petroleum-derived products or by-products, or any other chemical, substance, material or emission, that is regulated, listed, or controlled pursuant to any national, state, or local law, statute, ordinance, directive, regulation, or other legal requirement of the United States.

4.5 All Policies Requirements.

4.5.1 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 Notice of Reduction in or Cancellation of Coverage. Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5.3 Higher Limits. If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.5.5 Waiver of Subrogation. Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the

payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

- 4.6 Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 5.2 Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.
- 5.3 Transfer of Title.** If Contractor's Work involves its transporting hazardous materials, Contractor shall be deemed to be in exclusive possession and control of such materials and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of such materials, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Contractor or its agents complete transfer of such materials into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Contractor shall be responsible for all such notifications. Should Contractor be required to remedy or remove such materials as a result of a leak, spill, release or discharge of such materials into the environment at Agency's Site

or elsewhere, Contractor agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

Section 6. STATUS OF CONTRACTOR.

- 6.1 Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.

- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

7.5 Registration with DIR. During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.

7.6 Prevailing Wage Rates. In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.

- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

- 8.4 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

- 8.4.1** Immediately terminate the Agreement;
- 8.4.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
- 8.4.3** Retain a different Contractor to complete the Work not finished by Contractor; and/or
- 8.4.4** Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

9.2 Contractor's Books and Records. Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.

9.4 Confidential Information and Disclosure.

9.4.1 Confidential Information. The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

10.1 Operations at the Project Site. Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.

10.2 Contractor's Equipment, Tools, Supplies and Materials. Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to

have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.

- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.
- 11.2 Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.
- 12.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7** Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8** Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9** Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.

- 12.10** If Contractor is providing Work to an Agency Member, SCPA or SCPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13. MISCELLANEOUS PROVISIONS.

- 13.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

- 13.7 Contract Administrator.** This Agreement shall be administered by Joel Ledesma, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

13.8 Notices. Any written notice to Contractor shall be sent to:

Bill Rege
President
Rege Construction, Inc.
600 Santana Drive
Cloverdale, CA 95425

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

13.9 Professional Seal. Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

13.10 Integration; Incorporation. This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

13.11 Alternative Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:

13.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;

13.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

13.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails,

the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

13.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

13.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

13.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

13.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.

13.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

13.14 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

13.15 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

SIGNATURES ON FOLLOWING PAGE

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

REGE CONSTRUCTION, INC.

Date_____

Date_____

RANDY S. HOWARD, General Manager

BILL REGE, President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A
SCOPE OF WORK

Rege Construction, Inc. ("Contractor") shall provide routine, recurring, and usual maintenance services as requested by Northern California Power Agency ("Agency") for the preservation and protection of any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority ("SCPPA") or SCPPA members, including but not limited to grading, excavation, paving, concrete, gravel hauling, water hauling, seal coating, and labor and materials for miscellaneous maintenance services.

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

REGE CONSTRUCTION, INC.
GENERAL ENGINEERING CONTRACTOR • LIC #786253
Phone (707) 894-5143 • Fax (707) 894-5141

AVAILABLE EQUIPMENT WITH OPERATOR • PRICE LIST FOR 2020/21
Prices Subject to Change June 30, 2021

<u>TYPE</u>	<u>HOURLY RATE</u>
<u>Dozers</u>	
D6N Slopeboard/Ripper	210.00
D6R Slopeboard/Ripper	240.00
D8R Slopeboard/Ripper	310.00
<u>Grader</u>	
140H Grader	220.00
<u>Loaders</u>	
Bobcat 753	150.00
Cat 226	150.00
Cat 232	150.00
Cat289	170.00
Cat 950G 4yd	240.00
Cat 930M	220.00
John Deere 210LE	150.00
<u>Scrapers</u>	
Cat 613B	230.00
Cat 627H Double Engine	360.00
<u>Excavators</u>	
Cat 303C	150.00
Cat 305E	160.00
Cat 308	180.00
Cat 316E	220.00
Cat 320DL	220.00
Cat 323	250.00
Cat 329EL	300.00
Cat 336	330.00
Cat 349F	360.00
<u>Backhoes</u>	
John Deere 410	170.00
John Deere 415F	175.00
<u>Compactors</u>	
Cat 334D AC Roller	170.00
Cat 434D AC Roller	180.00
Cat 433C Smooth drum	180.00
Cat 563D Smooth drum	210.00
Cat 563D Padfoot	210.00
Cat 815F	260.00
Sheepsfoot	25.00

REGE CONSTRUCTION, INC.
GENERAL ENGINEERING CONTRACTOR • LIC #786253
 Phone (707) 894-5143 • Fax (707) 894-5141

<u>TYPE</u>		<u>HOURLY RATE</u>
<u>Miscellaneous</u>		
Paver	Cat 650B 8'-16'	320.00
Water Truck	3,800 Gallon	130.00
Dump Truck	5 Yard	130.00
Dump Truck	10 Yard	135.00
End Dump	Reliance 20 Yard	135.00
Semi Bottom Dump	Fruehauf	135.00
Bottom Dump		135.00
Transfer	Reliance	135.00
Sheet Pile Tool	Pile Driver	100.00
Lowbed	KW/Murray	200.00
Cat 330 L Lodril	90,000lb Drill	350.00
Cat 725 Articulated Dump Truck		250.00
Chipper (Includes Laborer, Operator & Excavator)		550.00
Maserator/Mulching Attachment		50.00
Telehandler		150.00
Operator		110.00
Laborer		95.00
Sheet Pile Extractor Attachment		100.00

Pricing for services to be performed at NCPA Member or SCPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C
CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT D
CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT E

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



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Commission Staff Report

Date: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Brian Davis dba Northern Industrial Construction – Five Year Multi-Task General Services Agreement for Miscellaneous Maintenance General Services;
Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>J.L.</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	
Department:	Geothermal	

IMPACTED MEMBERS:		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Other <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	<i>If other, please specify.</i>
 <hr/> <hr/>		

RECOMMENDATION:

Approval of Resolution 20-73 authorizing the General Manager or his designee to enter into a Five Year Multi-Task General Services Agreement with Brian Davis dba Northern Industrial Construction for general maintenance services, including welding, safety, and fire watch services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 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.

BACKGROUND:

General maintenance services, including welding, safety, and fire watch services, are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members. NCPA had a previous agreement in place with Brian Davis dba Northern Industrial Construction which is running low on funds and expiring soon. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future projects. NCPA has agreements in place for similar services with Gifford’s Backhoe Services, Inc., Epidendio Construction, Inc., and pending agreements with Ancon Marine dba Ancon, and Rege Construction.

FISCAL IMPACT:

Total cost of the agreement is not to exceed \$2,500,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

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 seeks bids from as many qualified providers as possible. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 12, 2020, and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Brian Davis dba Northern Industrial Construction

RESOLUTION 20-73

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A FIVE YEAR MULTI-TASK GENERAL SERVICES AGREEMENT WITH BRIAN DAVIS DBA NORTHERN INDUSTRIAL CONSTRUCTION

(reference Staff Report #207:20)

WHEREAS, general maintenance services, including welding, safety, and fire watch services, are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA), its Members, the Southern California Public Power Authority ("SCPPA"), and SCPPA Members; and

WHEREAS, Brian Davis dba Northern Industrial Construction is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Brian Davis dba Northern Industrial Construction to provide such services as needed at all NCPA facilities, NCPA Members, SCPPA, and SCPPA Member facilities, in an amount not to exceed \$2,500,000 over five years; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Five Year Multi-Task General Services Agreement with Brian Davis dba Northern Industrial Construction, for general maintenance services, including welding, safety, and fire watch services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by SCPPA, or by SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
BRIAN DAVIS DBA NORTHERN INDUSTRIAL CONSTRUCTION**

This Multi-Task General Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Brian Davis dba Northern Industrial Construction, a sole proprietorship with its office located at P.O. Box 194, Kelseyville, CA 95451 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2020 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does

not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED TWO MILLION FIVE HUNDRED THOUSAND** dollars (\$2,500,000) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 Payment of Taxes. Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

- 2.5 Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

Section 4. INSURANCE REQUIREMENTS. Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Not Applicable

4.4 Pollution Insurance Not Applicable

4.5 All Policies Requirements.

4.5.1 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 Notice of Reduction in or Cancellation of Coverage. Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5.3 Higher Limits. If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.5.5 Waiver of Subrogation. Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

4.6 Contractor's Obligation. Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent

contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 5.2 Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.
- 5.3 Transfer of Title.** Not Applicable

Section 6. STATUS OF CONTRACTOR.

- 6.1 Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge

and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

- 6.6 Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.

- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

- 8.4 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

- 8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
- 8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or
- 8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.
- 9.4 **Confidential Information and Disclosure.**
 - 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential,

proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and

subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

- 10.1 Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations

including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

- 11.2 Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for

any Work performed when, Contractor is not in full compliance with this Section 12.

- 12.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7** Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8** Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9** Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13. MISCELLANEOUS PROVISIONS.

- 13.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

- 13.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

- 13.7 Contract Administrator.** This Agreement shall be administered by Joel Ledesma, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.
- 13.8 Notices.** Any written notice to Contractor shall be sent to:

Brian Davis
Owner
Brian Davis dba Northern Industrial Construction
P.O. Box 194
Kelseyville, CA 95451

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 13.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;
 - 13.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
 - 13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
 - 13.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
 - 13.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
 - 13.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

13.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.

13.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

13.14 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

13.15 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

BRIAN DAVIS DBA NORTHERN
INDUSTRIAL CONSTRUCTION

Date _____

Date _____

RANDY S. HOWARD, General Manager

BRIAN DAVIS, Owner

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

Brian Davis dba Northern Industrial Construction ("Contractor") shall provide routine, recurring, and usual maintenance services as requested by the Northern California Power Agency ("Agency") at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority ("SCPPA") or SCPPA members, including but not limited to welding, safety/fire watch, and labor and materials for miscellaneous maintenance services.

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Rates on following page.

MANPOWER:	STRAIGHT TIME First 10 hrs/day Mon-Thurs	OVERTIME Up to 12hrs/day Mon-Thurs Fri-Sat 8 hrs	DOUBLE TIME Over 12 hrs/day
NIC Shop Rates	\$85.00/hr	\$95.00/hr	\$115.00/hr
General Foreman	\$ 85.00/hr	\$ 80.00/hr	\$ 90.00/hr
Working Leadman - Fitter, Welder, Millwright	\$ 75.00/hr	\$ 90.00/hr	\$ 100.00/hr
"B" Craft Person (Laborer)	\$ 55.00/hr	\$ 70.00/hr	\$ 85.00/hr
Call Out	4 hrs Minimum	OT Rate Applies	\$ 100.00/hr
Fire Watch (minimal tools/site prep, wood eating, ect)	\$ 40.00/hr	\$ 55.00/hr	\$ 70.00/hr
Heavy Equipment Operator	\$ 75.00/hr	\$ 90.00/hr	\$ 100.00/hr
Spotter for Heavy Equipment	\$ 40.00/hr	\$ 55.00/hr	\$ 70.00/hr

PREVAILING WAGES PER LABOR CODES: EFFECTIVE TILL JUNE 2021

General Foreman	\$97.00/hr	\$112.00/hr	\$132.00/hr
Welder/Fitter	\$100.00/hr	\$120.00/hr	\$140.00/hr
Laborer	\$91.00/hr	\$106.00/hr	\$126.00/hr
Heavy Equipment Operator	\$102.00/hr	\$117.00/hr	\$140.00/hr
Spotter for Heavy Equipment Operations	\$86.00/hr	\$101.00/hr	\$126.00/hr

EQUIPMENT & MATERIALS RATES:

Vehicles:	
#28 2008 Dodge Dually Service Truck	\$40.00/hr
#30 2000 F-350 White Service Truck	\$40.00/hr
#32 2008 Ford Ranger	\$25.00/hr
#38 2008 Dodge (Red 4-door)	\$30.00/hr
#37 2013 International Boom Truck (Little Boom Truck)	\$55.00/hr
#39 2001 Ford F-450 White Service Truck	\$40.00/hr
#42 1997 Dodge 3500	\$40.00/hr
#43 2000 Ford F-450	\$40.00/hr
#44 04 3500 flatbed Dodge	\$35.00/hr
#45 98 Toyota	\$25.00/hr
#49 99 Ford F-550	\$45.00/hr
#50 30K Boom Truck	\$85.00/hr
#51 05 service body dodge	\$30.00/hr
#52 14 3500 4x4 dodge	\$30.00/hr
#53 19 4500 welding truck	\$40.00/hr
#54 19 3500 welding truck	\$40.00/hr

HEAVY EQUIPMENT RATES:

#41 2007 Mini Excavator	\$50.00/hr
#46 80' Manlift	\$40.00/hr
#48 D4 Dozer	\$55.00/hr
Tractor	\$30.00/hr

TRAILER RATES:

24 GVW Transport	\$20.00/hr
20' Flat Bed Trailer	\$15.00/hr
8' Dual Axle Box Trailer	\$15.00/hr
14' Dual Axle Box Trailer	\$18.00/hr
Confined Space Rescue Trailer	\$525/day

MISC EQUIPMENT RATES:

Certified Fresh Air Equipment	\$380.00/day
Fire Suppression Equipment (Water Wagon)	\$100.00/day \$350.00/week \$1,000.00/month
Concrete Saw	\$15.00/hr
Jack Hammer	\$15.00/hr
Pressure Washer	\$15.00/hr
Rental Equipment/Manlift, etc	Cost plus 15%
All Sub-Contractors	Cost plus 15%
Materials	Cost plus 15%
Per Diem (if required Per-Man night only)	\$125.00/night
Travel Time (if required)	Straight Time Rates will apply

HOT SHOT & MISC SERVICE RATES

One Driver with One One-Ton Truck	\$90.00/hr
One Driver with One Half-Ton Truck	\$85.00/hr
Confined space rescue Team=3	102.00/ per hr per person
*Note: Hot Shots longer than 10hrs straight, additional driver required or allow 8 hrs down time with Per Diem	

All services will be billed according to Time & Material (T&M) Rates.

Prices are subject to change with 30 days' advance written notice provided to NCPA.

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C
CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

NOT APPLICABLE

EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT E

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



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Commission Staff Report

Date: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: MP Environmental Services, Inc. – Five Year Multi-Task General Services Agreement for General Maintenance Services; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Geothermal	

IMPACTED MEMBERS:			
All Members	<input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	Other <input type="checkbox"/>
<i>If other, please specify</i>			
<hr/>			
<hr/>			

RECOMMENDATION:

Approve Resolution 20-74 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with MP Environmental Services, Inc. for general maintenance services, including removal and disposal of sulfur bins, hazardous material, phase separators, and vacuum truck services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at all facilities owned and/or operated by NCPA.

BACKGROUND:

General maintenance services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA. NCPA had a previous agreement in place with MP Environmental Services, Inc., which is expiring. NCPA will be requesting competitive bids specifically for the sulfur bin hauling and disposal services required for the GEO facilities. MP Environmental Services, Inc. will be one of the prospective bidders. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into a multi-task enabling agreement with MP Environmental Services, Inc., so established terms and conditions are in place should this vendor be the successful bidder on future projects. Execution of this enabling agreement will also increase the pool of qualified and proven vendors for these types of services. NCPA currently has agreements in place for similar services with Patriot Environmental Services, Gifford's Backhoe Services, Fremouw Environmental Services, Inc., and a pending agreement with Ancon Marine dba Ancon.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$3,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

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 seeks bids from as many qualified providers as possible. Bids are awarded to the vendor providing the overall best value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

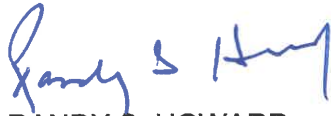
This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 12, 2020, and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with MP Environmental Services, Inc.

RESOLUTION 20-74

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH
MP ENVIRONMENTAL SERVICES, INC.

(reference Staff Report #208:20)

WHEREAS, general maintenance services, including removal and disposal of sulfur bins, hazardous material, phase separators, and vacuum truck services, are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA); and

WHEREAS, MP Environmental Services, Inc. is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with MP Environmental Services, Inc. to provide such services as needed at all NCPA facilities, in an amount not to exceed \$3,000,000 over five years; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorized the General Manager or his designee to enter into a Multi-Task General Services agreement with MP Environmental Services, Inc. for general maintenance services, including removal and disposal of sulfur bins, hazardous material, phase separators, and vacuum truck services, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at all facilities owned and/or operated by NCPA.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
MP ENVIRONMENTAL SERVICES, INC**

This Multi-Task General Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and MP Environmental Services, Inc., a California corporation with its office located at 3400 Manor Street, Bakersfield, CA 93308 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2020 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** THREE MILLION dollars (\$3,000,000) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 Payment of Taxes. Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

2.5 Timing for Submittal of Final Invoice. Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for

any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

Section 4. INSURANCE REQUIREMENTS. Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

4.1 Workers' Compensation. If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Not Applicable

- 4.4 Pollution Insurance.** If Contractor's Work involves its transporting hazardous materials, then Contractor shall obtain and maintain Contractors' Pollution Liability Insurance of not less than two million dollars (\$2,000,000) for any one occurrence and not less than four million dollars (\$4,000,000) aggregate. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000.00) per claim. Such insurance shall be on "an occurrence" basis. In addition, Contractor shall ensure that such insurance complies with any applicable requirements of the California Department of Toxic Substances Control and California regulations relating to the transport of hazardous materials (Health & Safety Code sections 25160 *et seq.*).

"Hazardous Materials" means any toxic or hazardous substance, hazardous material, dangerous or hazardous waste, dangerous good, radioactive material, petroleum or petroleum-derived products or by-products, or any other chemical, substance, material or emission, that is regulated, listed, or controlled pursuant to any national, state, or local law, statute, ordinance, directive, regulation, or other legal requirement of the United States.

4.5 All Policies Requirements.

- 4.5.1 Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.
- 4.5.2 Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.
- 4.5.3 Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.
- 4.5.4 Additional Certificates and Endorsements.** Not Applicable
- 4.5.5 Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

- 4.6 **Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 5.2 **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.
- 5.3 **Transfer of Title.** If Contractor's Work involves its transporting hazardous materials, Contractor shall be deemed to be in exclusive possession and control of such materials and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of such materials, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Contractor or its agents complete transfer of such materials into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Contractor shall be responsible for all such notifications. Should Contractor be required to remedy or remove such materials as a result of a leak, spill, release or discharge of such materials into the environment at Agency's Site or elsewhere, Contractor agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

Section 6. STATUS OF CONTRACTOR.

6.1 Independent Contractor. Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

6.2 Contractor Not Agent. Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.

6.3 Assignment and Subcontracting. This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor

may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

- 6.4 **Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.

7.6 Prevailing Wage Rates. In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

8.1 Termination. Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.
- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.
- 8.4 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:
- 8.4.1** Immediately terminate the Agreement;
 - 8.4.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
 - 8.4.3** Retain a different Contractor to complete the Work not finished by Contractor; and/or
 - 8.4.4** Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement

for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.

9.4 Confidential Information and Disclosure.

9.4.1 Confidential Information. The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

10.1 Operations at the Project Site. Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.

10.2 Contractor's Equipment, Tools, Supplies and Materials. Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Agency will not be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency shall be solely as an accommodation and Agency shall have no liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or

other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.

- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.
- 11.2 Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.

- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.
- 12.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7** Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8** Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9** Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.

Section 13. MISCELLANEOUS PROVISIONS.

- 13.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

- 13.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 13.7 Contract Administrator.** This Agreement shall be administered by Joel Ledesma, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.
- 13.8 Notices.** Any written notice to Contractor shall be sent to:

Gina Blankenship
Facility Manager
MP Environmental Services, Inc.
3400 Manor Street
Bakersfield, CA 93308

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 13.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;
 - 13.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
 - 13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
 - 13.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

- 13.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 13.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

13.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.

13.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

13.14 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

13.15 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties.

SIGNATURES ON FLOWING PAGE

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The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

MP ENVIRONMENTAL SERVICES, INC.

Date _____

Date _____

RANDY S. HOWARD, General Manager

GINA BLANKENSHIP, Facility Manager

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

MP Environmental Service, Inc. ("Contractor") shall provide miscellaneous maintenance services which include labor, tools and vehicles to perform services as requested by Northern California Power Agency ("Agency") at any facilities owned and/or operated by Agency.

Services include but not limited to the following:

- Removal and replacement of sulfur bins
- Phase separators
- Vacuum truck services
- Provide, remove and disposal of debris/garbage bins (roll-top)
- Removal and disposal of hazardous material
- As requested, and on an occasional basis, provide labor for outages such as cleaning cooling tower basins and mercury tank rollover of media

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:



RATE SCHEDULE for Northern California Power Agency October 2020

General Terms and Conditions

- Rates based upon current General Prevailing Wage Determinations as published by California DIR. MP reserves the right to adjust rates based upon changes to applicable DIR Wage Determinations
- All rates are portal to portal from facility which dispatches equipment unless otherwise specified
- Rates not listed on this schedule will be furnished upon request
- All transportation services, field labor and equipment are subject to a 4-hour minimum charge
- Daily equipment rates are based upon 8-hours per day
- A variable Environmental & Energy Surcharge will apply to all charges
- Any disposal and/or laboratory analysis will be billed at cost plus 15%.
- Any subcontract services, equipment or materials not listed will be billed at cost plus 15%.
- Decontamination Requirements: Due to federal requirements, MP equipment must be decontaminated after every customer or waste stream usage. This may be performed at the disposal site, customer's location or an off-site facility. If performed at the customer location, the charges will be per MP's time and materials rate. If MP must go to an off-site facility, the charges will be billed at cost, plus 15% for the wash plus MP's time and materials rate.
- Only MP Environmental Service's personnel are authorized to deliver, pick up, operate or transfer MP equipment.



MP Environmental Services – Rate Schedule

Labor – California Prevailing Wage

Labor Classifications	ST	OT	PT
Project Manager	\$105.00	\$130.00	\$155.00
Supervisor	\$95.00	\$120.00	\$145.00
Health & Safety Coordinator	\$95.00	\$120.00	\$145.00
Equipment Operator	\$95.00	\$120.00	\$145.00
Technicians	\$75.00	\$95.00	\$105.00

Definitions:

Straight Time (ST)	First eight (8) hours in a work day, Monday through Friday
Over Time (OT)	Any time over eight (8) hours in a workday, the first eight (8) hours on a Saturday.
Premium Time (PT)	Any time over twelve (12) consecutive hours in a workday. All day on Sunday and the following holidays: New Year's Day Memorial Day Independence Day Labor Day Thanksgiving Day Day after Thanksgiving Christmas Day
Emergency Response	Rates will be established at 1.50 times the appropriate rate for labor and equipment.
Per Diem	When applicable, will be at standard government rate based on work location



MP Environmental Services – Rate Schedule

Personal Protective Equipment

Protection Levels/PPE:	Rate	UOM
Level A (Composite Suit + Supplied Air)	\$450.00	Day/Person
Level B (Supplied Air)	\$225.00	Day/Person
Level B (Modified)	\$100.00	Day/Person
Level C	\$75.00	Day/Person
Level C (Modified)	\$65.00	Day/Person
Level D	\$35.00	Day/Person

Transportation Services

Transportation Equipment (Operated)	Rate – ST	Rate – OT	Rate - PT	UOM
Roll Off Truck– Single or Double	\$ 98.00	\$ 115.00	\$ 135.00	Hour
Vacuum Tank – 120 to 140 bbl, Mild or Stainless	\$ 98.00	\$ 115.00	\$ 135.00	Hour
Vacuum Tank – On Site Services	\$ 135.00	\$155.00	\$175.00	Hour
(FRP) Vacuum Tank – Strong Corrosives	\$ 205.00	\$222.00	\$ 242.00	Hour
Vacuum Truck – 50 to 60 bbl	\$ 98.00	\$ 115.00	\$ 135.00	Hour
End Dump	\$ 98.00	\$ 115.00	\$ 135.00	Hour
End Dump – High Side	\$ 115.00	\$ 132.00	\$ 152.00	Hour
Flatbed or Van – 45' to 53'	\$ 98.00	\$ 115.00	\$ 135.00	Hour
Low Bed (Equipment Transporter Permits Not Incl)	\$ 125.00	\$ 142.00	\$ 162.00	Hour
Transportation – Load Rates				
Roll-Off Transportation - Switch out loaded bins to HB Ag, Bakersfield, CA			\$2,200.00	Load
Roll Off Transportation – Switch out loaded bins to Kettleman, CA			\$1,880.00	Load
Roll Off Transportation – Switch out loaded bins to Waste Mgt, Arlington, OR			\$3,150.00	Load
Demurrage – After 1 hour loading/1 hour unloading			\$ 98.00	Hour

Additional load rates available upon request.

Roll-Off Containers & Consumables

	Rate	UOM
Roll Off Bin 20 Yard	\$12.00	Day
Roll Off Bin 30 Yard	\$12.00	Day
Roll Off Bin 40 Yard	\$12.00	Day
Vacuum Bin	\$50.00	Day
Dewatering Bin	\$55.00	Day
Intermodal Bin	\$60.00	Day
Bin Liners, Poly – 3 mil	\$35.00	Each
Bin Liners, Poly – 8 mil	\$85.00	Each
Bin Liners, Filter Cloth, 130 micron	\$150.00	Each

Demolition Equipment

Equipment (Un Operated)	Rate	UOM
CAT 330 With A Genesis GXP500R Shear	\$2,000.00	Day
CAT 330 With A Genesis GXP660R Shear	\$2,000.00	Day
Genesis 410R Concrete Processor	\$700.00	Day
Hydraulic Hammer (4,000lb Class)	\$500.00	Day
Hydraulic Hammer (8,000lb Class)	\$700.00	Day
Hydraulic Magnets (36" to 54")	\$300.00	Day
Grapple (Excavator Mounted)	\$200.00	Day

Excavation Equipment

Equipment (Un Operated)	Rate	UOM
CAT 303CR Mini Excavator With Hydraulic Thumb	\$250.00	Day
CAT 307 Excavator With Knuckle Boom	\$300.00	Day
CAT 322 Excavator With Hydraulic Thumb	\$850.00	Day
CAT 325 Excavator With Hydraulic Thumb	\$875.00	Day
CAT 328 Zero Clearance Excavator With Hydraulic Thumb	\$900.00	Day
CAT 336E Excavator With Hydraulic Thumb	\$1,300.00	Day
Long Reach Excavator (Quote As Needed)		
CAT 420F Backhoe With Hydraulic Thumb	\$350.00	Day

Loading Equipment

Equipment (Un Operated)	Rate	UOM
CAT 930H (IT) Wheel Loader	\$600.00	Day
CAT 962H (IT) Wheel Loader	\$850.00	Day
CAT 962H Wheel Loader	\$800.00	Day
CAT 966G Wheel Loader	\$975.00	Day
CAT Skid Steer (Rubber Tired)	\$250.00	Day
CAT Skid Steer (Tracked)	\$300.00	Day

Other Equipment

Equipment (Un Operated)	Rate	UOM
Water Truck (2600 gal. Two Axle)	\$400.00	Day
Water Truck (4000 gal. Three Axle)	\$550.00	Day
Water Buffalo (300 Gallon Towable)	\$200.00	Day
CAT Telehandler	\$550.00	Day
CAT 140H Motor Grader	\$750.00	Day
Articulating Haul Truck (30 Ton Capacity)	\$1,200.00	Day
Fork Lift – up to 5,000 lb.	\$400.00	Day
Dump Truck, 2 axle, 5 yard	\$300.00	Day
Pick Up Truck (un-operated)	\$150.00	Day
One Ton Truck w/ lift gate (un-operated)	\$25.00	Hour
Two Ton Truck (un-operated)	\$50.00	Hour
Emergency Response Trailer	\$200.00	Day
Light Tower, portable	\$155.00	Day
Pressure Washer, trailer mounted	\$300.00	Day
Drum Crusher	\$500.00	Day
Air Compressor – up to 185 CFM	\$250.00	Day

Hydro Excavation Equipment

Equipment (Un Operated)	Rate	UOM
Super Vac GAP-VAX HV 44 Series	\$150.00	Hour
Disposable Suction Hose – 4 Inch	\$2.00	Foot
Disposable Suction Hose – 6 Inch	\$4.00	Foot
Filter Socks (Requires 44 Socks Per Change)	\$12.65	Each

Solids Reduction & Tank Cleaning Equipment

Equipment (Un Operated)	Rate	UOM
Centrisys 21 Inch Two Phase Centrifuge (Un-Operated)	\$112.50	Hour
Centrisys 21 Inch Three Phase Centrifuge (Un-Operated)	\$137.50	Hour
400 KW Mobile Generator	\$105.00	Hour
Manway/ ROV Tank Cleaning Unit (Un-Operated)	\$125.00	Hour
Hydro Blaster 10,000 psi To 20,000 psi (Un-Operated) Includes One Gun, Pedal And a 100' Of hose.	\$145.00	Hour
Any additional hydro-blasting equipment, including consumables, not listed above would be billed at cost plus 15%		

Misc. Equipment

On Site Equipment	Rate	UOM
Hand Tools	\$50.00	Day
Small Power Tools, up to 2.5 HP	\$45.00	Day
Generator – up to 10 kw	\$125.00	Day
Trash Pump (2 Or 3 Inch)	\$45.00	Day
Wet/Dry Vacuum (5 gal.)	\$20.00	Day
Diaphragm Pump – up to 3" (Pneumatic)	\$85.00	Day
Cutting Torch	\$300.00	Day
Hepa Vac	\$40.00	Day

Safety Equipment

Safety Equipment	Rate	UOM
Confined Space Entry Equipment (per person)	\$75.00	Day
Copus Blower (Intrinsically Safe)	\$125.00	Day
Intrinsically Safe Light	\$40.00	Day
Drum Pump	\$50.00	Day
LEL, O2, H2S Meter	\$85.00	Day
H2S Monitor	\$10.00	Day

Materials/Supplies

Description	Rate	UOM
End Dump Liners, floor only	\$45.00	Each
End Dump Liners, full	\$85.00	Each
Visqueen, 6mil, 10' x 100'	\$50.00	Roll
Visqueen, 6 mil 20' x 100'	\$150.00	Roll
Visqueen, 6 mil 40' x 100'	\$200.00	Roll
Drum Liners	\$3.00	Each
Clay based oil absorbent, 50 lb bag	\$10.00	Bag
Vemeculite	\$25.00	Bag
Degreaser (Simple Green, Monster, etc.)	\$20.00	Gal
Plastic pump, disposable	\$20.00	Each
Hazardous Waste Labels	\$2.00	Each
Colorimetric Tests	\$20.00	Each
pH Strips	\$8.50	Box
Duct Tape	\$4.00	Roll
Rags	\$45.00	Box
Drum Thieves	\$1.50	Each
Sample Jars	\$10.00	Each
Containers	New	Recon
Drum – 55 gal, metal, open head	\$80.00	\$ 60.00
Drum – 55 gal, metal, closed head	\$60.00	\$ 50.00
Drum – 55 gal, poly, open head	\$105.00	\$ 50.00
Drum – 55 gal, poly, closed hear	\$95.00	\$ 40.00
Drum – 30 gal, poly, open head	\$80.00	\$ 50.00
Drum – 30 gal, poly, closed head	\$70.00	\$ 40.00
Drum – 14 gal, poly, open head	\$60.00	\$ 40.00
Pail – 5 gal, poly with removable lid	\$20.00	
Over pack – 85 gal, poly	\$300.00	
Over pack – 85 gal, metal	\$240.00	
Cubic yard box	\$80.00	
Light tube box – 4 foot	\$70.00	
Light tube box – 8 foot	\$75.00	



Energy and Environmental Surcharge (EES)

MP Environmental Services, Inc. is committed to offering our customers a safe, environmentally compliant resource for their waste management needs at the best possible value. As such, we continually strive to control costs and minimize passing along frequent price increases to our customers.

Since implementing our current Fuel Surcharge in 2008, we have seen many operating costs increase significantly above other non-environmental industries. In addition to the volatility of diesel fuel and lubricants, we have seen increased costs in insurance premiums, permitting, and regulatory related issues; as well as the growing cost of maintaining EPA/DOT compliant equipment, including implementation of electronic logging.

To better address all the on-going changes in our industry, effective July 1, 2016 MP will replace its Fuel Surcharge with an Energy and Environmental Surcharge (EES).

Surcharge Calculation

The EES contains two main components, Energy Costs and Environmental Compliance costs.

Energy Costs

This component is tied to the US Department of Energy West Coast Monthly On Highway Diesel Price Index and will adjust monthly, based on the previous month's West Coast Monthly On Highway Diesel price published by EIA.

Price Per Gallon	Surcharge %
\$2.00 and below	1%
\$2.10 to \$2.19	2%
\$2.20 to \$2.29	3%
\$2.30 to \$2.39	4%
\$2.40 to \$2.49	5%
\$2.50 to \$2.59	6%
\$2.60 to \$2.69	7%
\$2.70 to \$2.79	8%

Price Per Gallon	Surcharge %
\$2.80 to \$2.89	9%
\$2.90 to \$2.99	10%
\$3.00 to \$3.09	11%
\$3.10 to \$3.19	12%
\$3.20 to \$3.29	13%
\$3.30 to \$3.39	14%
\$3.40 to \$3.49	15%
\$3.50 to \$3.59	16%

Note – surcharge will continue to increase at the rate of 1% per \$.10 per gallon above the cost of \$3.60 per gallon

Environmental Compliance

This component is designed to recover costs MP incurs on a nationwide basis associated with operating our business in an environmentally compliant manner and is currently set at 5.7%. The Environmental Compliance component is not specifically tied to any direct or indirect costs but rather is designed to maintain acceptable operating margins as we maintain regulatory compliance. The Environmental Compliance component of the surcharge will be reviewed annually and adjusted as needed.

The Energy Cost component and Environmental Compliance component will be added together to determine the total Energy and Environmental Surcharge (EES).

Applicability

The EES will apply to all charges, excluding sales tax, on an invoice and will be shown as a separate line item.

The EES is not a tax or surcharge imposed by or remitted to any government or regulatory agency. The EES will minimize the need for frequent price increases and enable MP to continue providing the quality service and professionalism our clients deserve.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C
CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

NOT APPLICABLE

EXHIBIT E

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



23

Commission Staff Report

Date: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: First Amendment to Second Amended and Restated Ground Lease with the City of Lodi; Applicable to the following projects: Northern California Power Agency (NCPA) CT2 and LEC Facilities

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>JL</i> Assistant General Manager	METHOD OF SELECTION: N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

IMPACTED MEMBERS:		
All Members <input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input checked="" type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>	City of Ukiah <input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit <input checked="" type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input checked="" type="checkbox"/>
City of Biggs <input checked="" type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input checked="" type="checkbox"/>	City of Roseville <input checked="" type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input checked="" type="checkbox"/>	City of Santa Clara <input checked="" type="checkbox"/>	Other <input checked="" type="checkbox"/>
<i>If other, please specify</i>		<u>Azusa, CDWR,</u> <u>Modesto, PWRPA</u>

RECOMMENDATION:

Approve Resolution 20-75 authorizing the General Manager or his designee to enter into a First Amendment to the Second Amended and Restated Ground Lease with the City of Lodi, with any non-substantial changes recommended and approved by the NCPA General Counsel, for the Annex land.

BACKGROUND:

The original Ground Lease was dated February 17, 1993 and effective January 1, 1993. An Amended and Restated Ground Lease was entered into on March 22, 2010. On April 29, 2013 the parties entered into a Second Amended and Restated Ground Lease.

LEC has been operating with a shared facilities warehouse between CT1, CT2 and LEC. Space has been tight for both parts storage and lay down space. As experienced during the LEC forced outage, when significant work is performed, there is not enough space onsite for laydown, and parts were stored outside the fence. In addition, LEC is preparing for the major on the steam turbine and generators, which will mean a significant addition to the parts on hand. LEC has found that Sea Vans are effective and inexpensive for storage. In order to obtain extra space, NCPA negotiated with the City of Lodi to annex 2.3 acres of additional space and amend the existing lease agreement.

FISCAL IMPACT:

CT2 Annual Rent	\$ 20,310.00
LEC Annual Rent	\$ 1,188,686.16
Annex Land Annual Rent (NEW)	\$ 20,310.00

The lease annex is expected to be utilized for only LEC. LEC FY2021 budget for lease is \$1,194,809. The first year lease will be prorated from the start date, expected to be \$13,540. Total lease expenditures for the first year will be \$1,202,226.16. This is \$7,417.16 above the budgeted amount and can be absorbed in the existing budget.

SELECTION PROCESS:

Not Applicable.

ENVIRONMENTAL ANALYSIS:

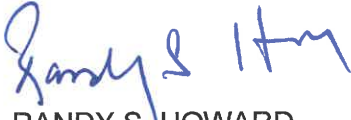
The California Energy Commission (CEC) is the Lead Agency for CEQA review for LEC and related projects. The project was reviewed and approved by the CEC and the San Joaquin Council of Governments. Biological monitoring will be performed prior to and during land disturbance activities.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 12, 2020, and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (3):

- Resolution
- Second Amended and Restated Ground Lease
- First Amendment to Second Amended and Restated Ground Lease

RESOLUTION 20-75

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A FIRST AMENDMENT TO SECOND AMENDED AND RESTATED GROUND
LEASE WITH THE CITY OF LODI**

(reference Staff Report #209:20)

WHEREAS, the Northern California Power Agency (NCPA) leases land from the City of Lodi at the CT2 and LEC facilities; and

WHEREAS, the original Ground Lease was effective January 1, 1993; and

WHEREAS, an Amended and Restated Ground Lease was entered into on March 22, 2010; and

WHEREAS, on April 29, 2013 the parties entered into a Second Amended and Restated Ground Lease; and

WHEREAS, additional land is needed by NCPA of parts storage; and

WHEREAS, it is desired by both parties to enter into a First Amendment to the Second Amended and Restated Ground Lease, adding additional Annex land to the Leased Premises and increasing the annual rent to reflect NCPA's use of the Annex land; and

WHEREAS, the California Energy Commission (CEC) is the Lead Agency for CEQA review for LEC and related projects. The project was reviewed and approved by the CEC and the San Joaquin Council of Governments. Biological monitoring will be performed prior to and during land disturbance activities; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a First Amendment to the Second Amended and Restated Ground Lease with the City of Lodi, with any non-substantial changes as approved by the NCPA General Counsel, for an amount of \$1,229,306.16 annually, and approval for these funds to come from the LEC Maintenance Reserve fund, for continued use at the NCPA CT2 and LEC facilities.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

SECOND AMENDED AND RESTATED

GROUND LEASE

by and between

CITY OF LODI
(Landlord)

and

NORTHERN CALIFORNIA POWER AGENCY
(Tenant)

Dated April 29, 2013

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Exhibit A	Existing Recycled Water Facilities
Exhibit B	Lodi Treatment Plant Site
Exhibit C	Optioned Premises
Exhibit D	Legal Map and Description of Premises
Exhibit E	Roadway and Incidental Purpose Easement
Exhibit F	Easement Agreement
Exhibit G	Utilities
Exhibit H	Will Serve Letter, dated October 17, 2008

SECOND AMENDED AND RESTATED GROUND LEASE

THIS SECOND AMENDED AND RESTATED GROUND LEASE (this "**Lease**" or this "**Agreement**"), dated this 29th day of April, 2013, is entered into by and between the CITY OF LODI, a California municipality ("**Landlord**" or "**Lodi**"), and NORTHERN CALIFORNIA POWER AGENCY, a California joint powers agency ("**Tenant**"). Landlord and Tenant, and their successors and assigns, are singularly referred to as a "**Party**" and jointly referred to as the "**Parties**."

RECITALS

- A. WHEREAS, the Parties entered into that certain Ground Lease dated February 17, 1993 ("**Original Lease**"); entered that certain Amended and Restated Ground Lease dated March 22, 2010 ("**First Amended Lease**"); and entered into an Agreement to Supply Recycled Water dated March 22, 2010 ("**Recycled Water Agreement**") and
- B. WHEREAS, the Parties desire to amend and restate the First Amended Lease in its entirety as set forth below and rescind the Recycled Water Agreement effective January 1, 2013.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree that the First Amended Lease is amended and restated in its entirety and the Recycled Water Agreement is rescinded as follows:

1. Definitions

When used in this Agreement, the terms described below will have the meanings as set forth in this Section 1.

1.1 "**Base Rent**" is the rent for the CT2 site under the Lease and is defined further in Section 8.1.1.

1.2 "**Commencement Date**" means January 1, 1993, the date that the Original Lease commenced.

1.3 "**CT2 Project**" refers to the NCPA Combustion Turbine 2 Project, also known as the "STIG" plant, which is a LM5000 simple cycle electrical generating facility rated at a nominal generating capacity of 49.9 megawatts. The CT2 is located in Lodi, California on property near the City of Lodi White Slough Water Pollution Control Facility ("**WSWPCF**").

1.4 **"Easement Area"** refers to the easement on the east side of the Leased Premises for the construction and maintenance of a road and is more fully defined in Section 4.

1.5 **"Effective Date"** of this Second Amended and Restated Ground Lease is January 1, 2013.

1.6 **"Existing Recycled Water Facilities"** means those Lodi Recycled Water production and delivery facilities on the Lodi WSWPCF or within Lodi easements outside the WSWPCF site as of March 22, 2010, including without limitation, the filter plant, the filter plant pumps and appurtenances, conveyance facilities to and from the clearwell, the clearwell, the meter, the clearwell pumping station including effluent and backwash pumps, the 8-inch industrial Recycled Water pipeline from the clearwell to the terminating point at the CT2 Project, and those Lodi Recycled Water production, delivery and distribution facilities as of March 22, 2010 including, without limitation, recycled water storage tanks; generally shown on Exhibit A.

1.7 The **"Initial LEC Rent"** means the advanced annual rent to be paid for the portion of the Leased Premises to be used for the LEC and is more fully defined in Section 8.2.1.

1.8 **"Landlord"** refers to the City of Lodi, a California general law city.

1.9 **"Leased Premises"** or **"Premises"** refers to the real property in the City of Lodi that is the subject of this Lease, as more fully described in Section 3.

1.10 The **"Lodi Energy Center"** (**"LEC"**) is a natural gas-fired, combined-cycle electrical generating facility owned by NCPA and rated at a nominal generating capacity of 255 megawatts (MW). The LEC sits on a portion of the Leased Premises consisting of approximately 4.4 acres located adjacent to the Lodi WSWPCF to the east, treatment and holding ponds associated with the WSWPCF to the north, the existing STIG to the west, and the San Joaquin County Mosquito and Vector Control facility to the south.

1.11 The **"Lodi Treatment Plant Site"** means the area within the current WSWPCF treatment plant property boundaries as shown on Exhibit B.

1.12 The **"LEC Rent"** means the rent to be paid for the portion of the Leased Premises to be used for the LEC and is more fully defined in Section 8.2.1.

1.13 **"NPDES Permit"** means the National Pollution Discharge Elimination System permit issued by the Regional Water Quality Control Board-Central Valley Region ("RWQCB") to each Party respectively as the context requires.

1.14 The **"Original Lease"** refers to that certain Ground Lease dated February 17, 1993.

1.15 **"Offer"** refers to a bona fide offer from a third party to purchase all or a portion of the Leased Premises or the Optioned Premises.

1.16 **"Optioned Premises"** means the land near the Leased Premises more particularly described on the map and described in more detail in the legal description attached to the map in Exhibit C.

1.17 **"Party"** singularly refers to either the Landlord or the Tenant and **"Parties"** refers to the Landlord and Tenant collectively.

1.18 **"Project"** refers to the construction, operation and maintenance of power generation plants and incidental ancillary uses including without limitation, the transmission of energy.

1.19 **"Recycled Water" or "Reclaimed Water"** means the water that results from the treatment of wastewater, meets all applicable requirements established from time to time by pertinent federal and state agencies having jurisdiction and regulating the use of Recycled Water (including the RWQCB) and that is suitable for appropriate and approved non-potable uses, including without limitation the requirements of California Code of Regulations, Title 22, Division 4, Chapter 3 specifically for use in a cooling tower. For purposes of this Agreement, Recycled Water and Reclaimed Water are synonymous.

1.20 **"Recycled Water Facilities"** includes both Existing Recycled Water Facilities and facilities proposed to be constructed by Lodi or NCPA for the purpose of producing, delivering, storing and distributing Recycled Water.

1.21 **"Rental Obligations"** refers to the Landlord's obligations to provide access to the transmission lines, Recycled Water and allow interconnection with the natural gas pipeline.

1.22 **"Tenant"** refers to the Northern California Power Agency, a California joint powers agency.

1.23 **"Term"** refers to the term of the Lease as defined in Section 7.

1.24 **"Utilities"** refers to various utility lines, pipelines and a test well located on or below the Leased Premises.

1.25 **"WSWPCP"** refers to the White Slough Water Pollution Control Facility owned by Lodi and located in Lodi, California.

2. Recycled Water Agreement Rescinded.

The Parties agree, acknowledge and represent that NCPA is taking the Recycled Water from the WSWPCP as an accommodation to the City of Lodi and as a part of the consideration from NCPA to the City of Lodi. The Parties recognize that the primary value of the Premises is its unique location away from residential facilities, along a natural gas supply line, adjacent to a Recycled Water source and along a major transmission line. Accordingly, the Parties hereby rescind the Recycled Water Agreement effective January 1, 2013. The Recycled Water Agreement is replaced by the provisions of section 10 of this Agreement.

3. Premises.

Landlord leases to Tenant and Tenant leases from Landlord the real property in the City of Lodi, County of San Joaquin, California, described on the map in Exhibit D attached hereto and incorporated into this Agreement by reference (the **"Leased Premises"** or the **"Premises"**) for the term (described below) and upon the terms and conditions set forth in this Agreement.

4. Easements.

In addition to the Premises, Tenant employs additional land adjacent to the east side of the Leased Premises for a road to access the Premises. A map identifying the additional area (the **"Easement Area"**) is contained in Exhibit E attached to this Agreement and incorporated herein by this reference. Landlord likewise needs access to the Easement Area to maintain the adjacent berm. Tenant and Landlord entered into and recorded the Easement Agreement contained in Exhibit F attached to this Agreement and made a part hereof pursuant to which Tenant has been provided with an access and roadway easement across the Easement Area throughout the Term of this Lease as such may be extended. Tenant's rights to use the Easement Area are

exclusive aside from access rights reserved to Landlord as set forth in the Easement Agreement, which is affirmed hereby.

5. Use.

Tenant may use the Leased Premises for the Project and for any other lawful purpose.

6. Landlord's Retained Rights.

Landlord maintains various Utilities located on or below the Leased Premises. The Utilities are described more fully in Exhibit G attached hereto and incorporated herein by this reference. Landlord hereby retains the right to access the Leased Premises, upon seventy two (72) hours written notice to Tenant (except in the event of emergency), to repair, maintain or remove the Utilities. Landlord agrees not to interfere with Tenant's activities on the Premises and will expeditiously repair or replace any damage that Landlord causes on the Premises at Landlord's sole expense. With a minimum of seventy two (72) hours' notice to Landlord, Tenant, at its sole expense, may relocate any or all of Landlord's Utilities. The schedule for such relocation shall be at a time mutually agreed upon by the Parties. Tenant agrees to construct the facilities to standards reasonably acceptable to Landlord.

7. Term; Extension.

The Original Lease commenced on the Commencement Date. This Lease shall terminate (unless extended pursuant to this Section 7 or earlier terminated in accordance with the provisions of this Lease) on the Fiftieth (50th) anniversary of the Effective Date ("Term"). Under this Agreement and subject to Landlord's retained rights as described in Sections 4 and 6, Tenant's rights to exclusive possession of the Leased Premises shall commence on the Effective Date. Tenant shall have the right to extend the Term of this Lease on all the terms and conditions set forth herein for an additional period of fifty (50) years, to be exercised by written notice to Landlord during the last year of the initial Term of this Lease.

8. Rent.

8.1 Rent for CT2 Site.

8.1.1 Annual Rent.

On or before July 1 of each year during the Term of this Lease, Tenant agrees to pay to Landlord in advance annual rent ("**Base Rent**") in the amount of Twenty Thousand Three Hundred Ten Dollars (\$20,310) for the following Lease Year (i.e., each twelve (12) month period during the Term of this Lease, commencing on July 1 and ending on June 30).

8.2 Rent for LEC.

8.2.1 2012 Annual Rent.

As of the Effective Date of this Agreement, Tenant has already prepaid rent as required in the First Amended Lease in the amount of Forty Thousand Dollars (\$40,000) (the "**Initial LEC Rent**") for the period from July 1, 2012 through June 30, 2013; therefore, any prepaid rent for January 1, 2013 through June 30, 2013 shall be credited toward the rental payments called for in Section 8.2.2 of this Agreement.

8.2.2 Annual Rent 2013 and Forward.

Beginning on the Effective Date, the terms of this Section 8.2.2 shall determine annual rent. Tenant agrees to pay to Landlord annual rent in the amount of One Million Dollars (\$1,000,000.00) (the "**LEC Rent**"). Because the initial 2013 Lease Year for which LEC Rent is due and payable pursuant to this Section 8.2.2 will only contain six fiscal year months (based on a July 1 through June 30 fiscal year), rent shall be \$500,000 less the amount of prepaid rent under Section 8.2.1 above, if any. Commencing on the Effective Date, the LEC Rent will be paid on a monthly basis in twelve equal payments of Eighty Three Thousand, Three Hundred and Thirty Three Dollars (\$83,333.00) due and payable on or before the first of each month.

8.2.3 Annual Rental Adjustments.

For the first ten (10) years following the Effective Date, the LEC Rent will increase by two and one half percent (2.5%) annually starting in 2014. The rental increase will go into effect on July 1st of each year.

8.2.4 Rental Reduction During LEC Decommissioning.

It is anticipated that the LEC will be decommissioned at the end of its useful life. During the decommissioning period, when the LEC is no longer providing electricity in the commercial market, Tenant shall cease paying the full LEC Rent and for the decommissioning period. Instead, Tenant will pay annual rent based on the following calculation: The Initial LEC Rent multiplied by two and one half percent for up to ten years multiplied by the number of years the LEC has operated since July 1, 2014 ($\$40,000 \times 2.5\% \times (X-2014)$ = annual rent during LEC decommissioning). In no event will the rent calculated during decommissioning be greater than the rent under Section 8.2.3, above. Tenant will give Landlord one hundred and eighty days (180) notice of its intent to decommission the Project.

8.3 Rental Adjustments.

Other than as specified in this Section 8, there shall be no adjustment to the Base Rent or the LEC Rent payable pursuant to this Agreement.

8.3.1 Rent Offsets Permitted. LEC Rent shall be adjusted if Landlord cannot provide the real estate or related rights and services, including without limitation, Recycled Water in the amount of 4.38 acre feet per day ("**Rental Obligations**"), on a regular basis. In the event Landlord cannot provide its Rental Obligations, an offset may be made against the following month's rental payment based on the number of days that the Landlord could not meet its Rental Obligations under this Agreement for the LEC. Tenant may deduct Two Thousand Six Hundred and Eighty Eight Dollars and Seventeen Cents (\$2,688.17) per day multiplied by the rental adjustment of 2.5% per year as made under Section 8.2.3, that Landlord cannot meet the Rental Obligations. Such deduction will be taken off of the following month's LEC Rent.

8.3.2 On the ten (10) year anniversary of the Effective Date of this Agreement, and on every ten (10) year anniversary thereafter, either Tenant or Landlord may initiate a review of the then existing Base Rent and/or LEC Rent based on the market conditions at the time of the requested review. Such review must be conducted by a mutually acceptable neutral third party, who will be charged with reviewing all the Rental Obligations under this Agreement to arrive at a fair value for the Leased

Premises. The Parties will share equally in the cost of any mutually approved neutral third party's services. Any supported adjustment to the then existing Base Rent or LEC Rent may not vary by more than twenty-five percent (25%) up or down ($\pm 25\%$) from the then existing rent.

8.4 Payments.

All rent to be paid by Tenant to Landlord under this Agreement must be in lawful money of the United States of America and must be paid without deduction or offset-- unless otherwise permitted in this Lease, prior notice or demand, and at such place or places as may be designated from time to time by Landlord.

9. Utility Payments.

During the Term of this Lease, except for utility payments related to Landlord's Utilities, Tenant agrees to pay all charges and expenses in connection with utility services and to protect Landlord and the Leased Premises from all such charges and expenses.

10. Recycled Water.

10.1 Past Costs.

10.1.1 Lodi will not seek any compensation for its past costs associated with providing Recycled Water to the CT2 plant, or to other Existing Recycled Water Facilities constructed, or studies undertaken and completed, prior to the Effective Date of the Recycled Water Agreement.

10.1.2 Similarly, NCPA will not seek compensation from Lodi for the costs associated with the existing NCPA Recycled Water Facilities constructed, or studies undertaken and completed, prior to the Effective Date of the Recycled Water Agreement.

10.2 Development of Future Projects by Lodi.

Future Recycled Water projects may be developed by Lodi. However, Lodi's development of future projects may not affect NCPA's right to Recycled Water under this Agreement and may not diminish the quality, quantity, price, availability and delivery of Recycled Water. Lodi will inform NCPA of planning activities regarding

future Recycled Water projects. Joint planning efforts may be undertaken by the Parties through mutual agreement.

10.3 Agreement to use Recycled Water.

NCPA hereby agrees to use Recycled Water for the LEC and CT2 Projects. NCPA agrees to use the Recycled Water for the purposes of generating electricity. NCPA may also use its allocation to irrigate landscaping that is associated with its generating facilities. NCPA agrees to take the City's wastewater and consume the wastewater in the LEC or for irrigation purposes. However, NCPA does not guarantee wastewater consumption at any level because of various market and operational factors. Lodi will supply Recycled Water in the volume identified in this Section 10 and to the standards contained in California Code of Regulations, Title 22, for the specific use in power plants' cooling towers.

10.4 Responsibility at Delivery Point.

The delivery point of the Recycled Water will be the WSWPCF Clearwell Pumping Station. Lodi will be responsible for all facilities for the treatment, transportation, conveyance and storage of the Recycled Water up to the delivery point. NCPA will be responsible for the facilities for the treatment, transportation, storage, and use of Recycled Water from the point of delivery.

10.5 Quantity of Recycled Water for the LEC.

Lodi agrees to provide a minimum of 4.384 acre feet per day, totaling 1600 acre feet per year ("afy") of Recycled Water to the LEC in accordance with California Code of Regulations, Title 22, Division 4, Chapter 3. If requested and if available, Lodi will provide additional Recycled Water up to 2000 afy, meeting California Code of Regulations, Title 22, requirements.

10.6 Quantity of Recycled Water for the STIG.

Lodi agrees to provide a minimum of 1.687 acre feet per day of Recycled Water to the STIG in accordance with California Code of Regulations, Title 22, Division 4, Chapter 3.

10.7 Obligation to Supply Water.

Lodi will deliver Recycled Water twenty-four (24) hours per day. Lodi will supply the Recycled Water year round and will not ration Recycled Water to NCPA in the event of a drought. The amount of Recycled Water received by NCPA will be confirmed by monthly meter readings performed by NCPA. If Lodi fails to supply the minimum amount in a calendar year then NCPA may take reasonable steps to procure water from other vendors or suppliers without affecting its rights under this Agreement.

10.8 Interruption of Delivery.

10.8.1 The Parties acknowledge that it is impossible to anticipate all the events that may occur which would prevent Lodi from delivering Recycled Water to NCPA pursuant to the Agreement. In the event Lodi cannot provide a minimum 4.384 acre feet of the Recycled Water per day for the LEC, in addition to any other rights and remedies Tenant may have under this Agreement, Tenant may also offset Rent on a daily basis as provided in Section 8.3, above.

10.8.2 It is the intention of the Parties that Lodi may be relieved of the responsibility for providing Recycled Water when it is not reasonably within its means to do so, despite its best efforts to do so. In such case, the rental offset provisions in Section 8.3, above, will apply. Such events that may relieve Lodi of providing Recycled Water shall include but are not limited to:

10.8.2.1 A Force Majeure pursuant to Section 25.14,

10.8.2.2 Orders by regulatory bodies or a court of competent jurisdiction (changes in water use requirements), or

10.8.2.3 Equipment failure and unanticipated treatment upsets, notwithstanding Lodi's best efforts to maintain the equipment including, without limitation, the WSWPCP.

10.9 Water Quality Representation.

Notwithstanding the prior statements above regarding water quality, this Agreement does not guarantee water quality at any given time. A violation of Lodi's NPDES permit that affects its ability to deliver Title 22 water quality for use at the NCPA Power Plants is not to be construed as a breach of this Agreement. Lodi shall notify the on duty NCPA operator as soon as practical after it experiences such an occurrence.

10.10 Responsibility for Compliance with Law.

Lodi represents and warrants that it has complied with all laws related to its ability to provide Recycled Water and has enacted any and all appropriate resolutions or ordinances required to provide Recycled Water to NCPA. Each Party will be responsible for its own acts and omissions and for compliance with all applicable laws with respect to its respective undertakings under this Agreement, including without limitation all waste discharge requirements and warnings required by the RWQCB or otherwise in connections with Recycled Water. Should one Party learn or have reason to believe that a violation of such laws, statutes, ordinances, orders and/or regulations by itself or the other Party has occurred or is threatened, that Party must promptly so inform the other Party.

11. Repairs and Maintenance.

11.1 At all times during the term of this Lease, Tenant shall, at its cost and expense, maintain the Leased Premises and all improvements thereon in good order and repair and safe condition, including but not limited to, fences and roadways predominantly used by Tenant. Landlord must maintain the roadway easement up to the Leased Premises. Tenant will keep Landlord apprised of the volume and nature of truck traffic upon the Leased Premises.

11.2 Except as provided in this Agreement, Landlord shall not be obligated to make any changes, alterations, additions or repairs in, on or about the Leased Premises or any part hereof or any improvements installed thereon. Tenant waives all provisions of law that may impose a duty of repair on Landlord.

11.3 Tenant shall indemnify and save harmless Landlord against all actions, claims and damages by reason of (1) Tenant's failure to perform Tenant's obligations set forth in this Section 11, or (2) Tenant's nonobservance or nonperformance of any law, ordinance or regulation applicable to the Leased Premises, and any liability or duty to repair imposed by the laws of the State of California.

11.4 Tenant agrees to construct a perimeter fence around the Leased Premises.

11.5 Notwithstanding Tenant's obligations to maintain and repair the Property in this Section 11, Tenant will have no obligation to maintain or repair any of Landlord's Utilities identified in Exhibit G.

12. Mechanic's Liens.

12.1 Covenant Against Liens and Claims.

Tenant shall not allow or permit to be enforced against the Leased Premises or any part thereof, any mechanic's, material men's, contractor's or subcontractor's liens arising from any claim growing out of work of any construction, repair, restoration, operation, replacement or improvement, or any other claim or demand no matter how the same may arise. Tenant shall pay or cause to be paid all of said liens, claims or demands, arising as a result of Tenant's activities before any lawsuit is brought to enforce them against the Leased Premises. Tenant agrees to indemnify and hold the Landlord and the Leased Premises free and harmless from all liability for any and all such liens, claims and demands arising as a result of Tenant's activities, together with reasonable attorneys' fees and all costs and expenses incurred by Landlord in connection therewith except to the extent any such liens, claims, demands, fees, costs and expenses arise as a result of Landlord's actions or failure to act.

12.2 Tenant's Right to Contest Liens.

Notwithstanding anything to the contrary set forth above, if Tenant shall in good faith contest the validity of any such lien, claim or demand, then Tenant shall, at its expense, defend itself and Landlord against the same and shall pay and satisfy any adverse judgment that may be rendered thereon before the enforcement thereof against Landlord or the Leased Premises.

12.3 Landlord Paying Claims.

In the event Tenant fails to pay and discharge or cause to be paid and discharged, when due and payable, any tax, assessment or other charge upon or in connection with the Leased Premises that is the responsibility of Tenant pursuant to this Lease, or any lien or claim for labor or material employed or used or any claim for damages arising out of Tenant's construction, repair, restoration, replacement,

maintenance and use of the Leased Premises and any improvements thereon, or any judgment on any contested lien or claim that results from Tenant's activities on the Leased Premises, or any insurance premium or expense in connection with the Leased Premises and improvements that Tenant is obligated to provide pursuant to this Lease, or any other claim, charge or demand which Tenant has agreed to pay or cause to be paid under the Terms of this Lease, and if Tenant, after ten (10) business days' written notice from Landlord to do so fails to pay and discharge the same, or in the event Tenant contests such tax, assessment, claim or charge then Landlord may, at its option, pay any such tax, assessment, insurance expense, lien, claim, charge or demand, or settle or discharge any action therefore, or judgment thereon, and all costs, expenses and other sums incurred or paid by Landlord in connection with any of the foregoing shall be paid by Tenant to Landlord upon demand, together with interest thereon at Bank of America's prime rate from the date incurred or paid. Any default in such repayment by Tenant will constitute a breach of the covenants and conditions of this Lease.

13. Insurance and Indemnity.

13.1 Landlord's Nonliability.

Except for (a) Landlord's Utilities; (b) Landlord's activities to maintain, install, remove or access its Utilities; or (c) any other negligent or willful act or omission by Landlord, its employees, agents, invitees or volunteers that results in injury or damage to persons or property, Landlord will not be liable for any loss, damage or injury of any kind to any person or property arising from Tenant's use of the Leased Premises, or any part thereof, or caused by any defect in any building, structure or other improvements thereon or in any equipment or other facility therein installed by Tenant, or caused by or arising from any act or omission of Tenant or any of its agents, employees, licensees or invitees, or by or from any accident on the Leased Premises or any fire or other casualty thereon, or occasioned by the failure of Tenant to maintain the Leased Premises and all improvements thereto in a safe condition, or arising from any other cause.

13.2 Indemnification of Landlord.

Notwithstanding anything to the contrary contained in this Lease, and irrespective of any insurance carried by Tenant for the benefit of Landlord under the terms of this Lease, Tenant agrees to protect, indemnify and hold the Landlord and the Leased Premises harmless from any and all damages and liabilities at any time occasioned by or arising out of (1) any act, activity or omission of Tenant, or of anyone holding under Tenant, or (2) the occupancy or use of the Leased Premises or any part thereof, by or under Tenant, or (3) any state or condition of the Leased Premises or any part thereof arising after the Commencement Date of the Original Lease and caused by Tenant.

13.3 Indemnification of Tenant.

Landlord agrees to indemnify, protect, hold harmless and defend Tenant, with counsel reasonably approved by Tenant, from and against any and all claims, causes of action, liabilities, damages and expenses arising out of or in any way related to actions by Landlord in entering into this Agreement, performing its obligations or assuming the benefits of this Agreement including without limitation, challenges to the validity of this Agreement. Tenant agrees to give Landlord timely notification of any claims or notices that would trigger the indemnification in this Section 13.3. Likewise, Landlord agrees to give Tenant timely notification of any claims or notices respecting this Agreement.

13.4 Liability Insurance.

Tenant must procure and maintain at all times during the Term of this Lease, at its sole cost and expense, a policy or policies of commercial general liability insurance by the terms of which NCPA is a named insured and the City of Lodi is an additional insured and are indemnified against liability for damage or injury to property or person, including death, of any person entering upon or using the Leased Premises or any improvements thereon or any part thereof, with a combined single limit for bodily injury and property damage in an amount of not less than Five Million Dollars (\$5,000,000). Such liability insurance policy or policies shall be stated to be primary and noncontributing with any insurance or self-insurance which may be carried by Landlord and shall contain a provision (provided such provisions are available without

increased premium) that the Landlord, although named as an additional insured shall nevertheless be entitled to recover under that policy for any loss, injury or damage to the Landlord, its agents and employees or the property of such persons by reason of the negligence of Tenant. Tenant may at its option self-insure upon the foregoing terms.

13.5 Certificate of Insurance.

All policies of insurance procured and maintained by Tenant hereunder shall be issued by companies having not less than Best's A: Class X rating and shall be issued in the name of the Landlord and Tenant for the mutual and joint benefit and protection of the Parties. Executed copies of all insurance policies or a certificate thereof shall contain a provision that not less than thirty (30) days' written notice shall be given to Landlord prior to the cancellation, reduction of coverage, expiration or any material change in any such policy.

13.6 Failure to Provide Insurance.

If Tenant fails or refuses to procure or to maintain insurance as required by this Lease or fails or refuses to furnish Landlord with required proof that the insurance has been procured and is in force and paid for, Landlord shall have the right at Landlord's election, upon ten (10) days' advance written notice, to procure and maintain such insurance. The premiums paid by Landlord shall be treated as added rent due from Tenant with interest at the Bank of America prime rate, to be paid within thirty (30) days of demand. Landlord shall give prompt notice of the payments of such premiums, stating the amounts paid and the names of the insurer or insurers; and Landlord shall provide copies of insurance policies to Tenant.

13.7 Waiver of Subrogation.

Each Party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either Party in connection with any damage covered by any policy, provided obtaining such a waiver in each such policy is then available at a reasonable charge. This provision is intended to restrict each Party (as permitted by law) to recovery against insurance carriers to the extent of such coverage, and waive fully, for the benefit of each Party,

any rights or claims that might give rise to a right of subrogation by any insurance carrier.

14. Landlord's Covenants.

14.1 Water Supply to CT2 Project.

Landlord shall make available to Tenant Reclaimed Water for the CT2 project upon the terms and conditions contained in Section 10 of this Agreement.

14.2 Water Supply to the LEC Project.

Landlord agrees to make available to Tenant Reclaimed Water for the LEC project upon the terms and conditions contained in Section 10 of this Agreement.

14.3 Discharge of Water.

Landlord shall upon payment by Tenant of applicable connection fees, accept Tenant's domestic wastewater from the Project into the White Slough Water Pollution Control Facility or other suitable treatment plant at no cost to Tenant.

14.4 Stormwater.

Subject to the terms of Lodi's NPDES permit or other applicable stormwater discharge permit, Lodi agrees to accept storm water runoff from the Leased Premises under the "Will Serve Letter" dated October 17, 2008, attached hereto as Exhibit H.

15. Repair and Restoration.

If during the term of this Lease any building or improvement on the Leased Premises or any part thereof is damaged or destroyed by fire or other casualty, Tenant may, at its sole cost and expense, repair or restore the same or may elect not to repair or restore. If Tenant elects not to repair or restore, Tenant may in its sole discretion choose to terminate this Lease, in whole or in part, effective as of the date of such damage or destruction. Any monies received by Landlord as compensation for damage or loss to improvements installed by Tenant on the Premises shall be paid to Tenant and are hereby assigned to Tenant.

16. Assignment and Subletting.

Tenant may not encumber, assign, sublease or otherwise transfer this Lease, or any right or interest hereunder, or in or to any of the improvements constructed or installed on the Leased Premises, in whole or in part, without the prior written consent of Landlord which consent will not be unreasonably withheld, conditioned or delayed.

17. Default.

The occurrence of any one or more of the following events shall constitute a default under this Lease by Tenant:

17.1 Failure to pay an installment of rent or other sum;

17.2 Failure to pay any insurance premium, lien, claim, demand, judgment or other charge provided for in this Lease to be paid or caused to be paid by Tenant at the time and in the manner as provided in this Lease;

17.3 Failure to maintain the Leased Premises or cause the same to be maintained as provided for in this Lease;

17.4 Abandonment of the Leased Premises after completion of construction for a continuous period of one hundred twenty (120) days; or

17.5 Failure to perform or breach of any other covenant, condition or restriction provided for in this Lease.

18. Remedies in Event of Default.

Upon any default of Tenant, and in the event the default is due to the failure of Tenant to make the payment of any installment of rent or other sum when due, and in the event Tenant fails to remedy such default within ten (10) business days after written notice to do so, or upon any other default by Tenant, and in the event that Tenant fails to remedy such other default within thirty (30) days after written notice from Landlord so to do specifying the nature of such default, or if such default cannot be cured within thirty (30) days and Tenant has not commenced corrective action and prosecuted the same to completion with due diligence, or in the event that the default is of such a nature that it cannot be cured by any action of Tenant, then and in any of these events, in addition to any other remedy Landlord may have by operation of law, Landlord shall have the right but not the obligation without any further demand or notice, to reenter the

Leased Premises and eject all persons from the Leased Premises, using due process of law, and immediately terminate Tenant's right to possession of the Premises, and repossess the same by summary proceedings or other appropriate action, and Landlord will thereupon be entitled to receive from Tenant all damages allowed by law.

19. Estoppel Certificates.

Landlord and Tenant shall, respectively, at any time and from time to time upon not less than ten (10) business days prior written request by the other, deliver to the requesting Party an executed and acknowledged statement in writing certifying:

19.1 That this Lease is unmodified and in full force and effect or if there has been any modification(s) thereof that the same is in full force and effect as modified, and stating the nature of the modification or modifications;

19.2 That to its knowledge the requesting Party is not in default under this Lease or if any such default exists, the specific nature and extent thereof;

19.3 The date to which rent and other charges have been paid in advance, if any; and

19.4 Such other information pertaining to this Lease as may reasonably be requested.

Each certificate delivered pursuant to Section 19 may be relied on by any prospective purchaser or transferee of the Leased Premises or of Landlord's or Tenant's interest hereunder or by any fee mortgagee of the Leased Premises or of Landlord's or Tenant's interest hereunder or by any assignee of any such mortgagee.

20. Ownership of Improvements.

Title to any buildings, improvements or fixtures which may be placed on the Premises by Tenant shall remain in Tenant. Landlord agrees to subordinate all rights, if any, which Landlord may have in any of such improvements to the rights of Tenant. Tenant may remove the improvements at any time during the term of this Lease. Any improvements remaining on the Premises after expiration or sooner termination of the Lease shall become the property of Landlord.

21. Payments and Notices.

Any notice to be given or other document to be delivered by either Party to the other Party may be given by personal delivery or may be deposited in the United States mail in the State of California, duly registered or certified, with postage prepaid, and addressed to the Party for whom it is intended as follows, or it may be sent via facsimile with a hard copy deposited in the United States mail addressed to the Party to whom it is intended with sufficient postage pre-paid and will be duly given upon receipt of successful transmission to the following facsimile numbers:

To Landlord: City of Lodi
Attn: City Manager
221 West Pine Street
Lodi, CA 95240
Facsimile: 209-333-6807

To Tenant: Northern California Power Agency
Attn: Assistant General Manager
Generation Services
651 Commerce Drive
Roseville, CA 95678
Facsimile: 916-783-7693

Either Party may from time to time by written notice to the other Party designate a different address which shall be substituted for the one specified above. If any notice or other document is sent by registered or certified mail, as provided above, the same shall be deemed served or delivered seventy-two (72) hours after the mailing thereof.

22. Right of First Refusal.

22.1 Right of First Refusal to Purchase Leased Premises.

Landlord shall not at any time during the Term of this Lease, as such may be extended, sell or convey or agree to sell or convey all or any portion of the Leased Premises without first having complied with the requirements of this Section 22. If Landlord desires to sell or convey all or any portion or portions of the Leased Premises, Landlord must obtain from a third party a bona fide arms' length offer (the "Offer") and Landlord must submit a written copy of the Offer to Tenant and must give Tenant forty-five (45) days within which to elect to meet the Offer. If Tenant elects to meet the Offer,

Tenant will give Landlord written notice thereof and closing must be held within forty-five (45) days thereafter, whereupon Landlord will convey to Tenant all or any portion of the Leased Premises which are the subject of the Offer. At closing, Landlord shall deliver to Tenant a grant deed, sufficient to convey to Tenant fee simple title to the subject portion of the Leased Premises free and clear of all liens, restrictions and encumbrances. Landlord shall pay all transfer taxes in connection with such conveyance attributable solely to the land and not to the Improvements. Landlord and Tenant recognize the benefit to Landlord of Tenant's willingness to take the Recycled Water and the benefit to Tenant of locating the STIG and the LEC in an industrial area adjacent to transmission lines, a Recycled Water source and a natural gas pipeline for interconnection purposes. In the event that Tenant exercises its option under this Section 22, Lodi agrees to continue to provide Recycled Water in the quantity provided in this Agreement and Tenant agrees to compensate Landlord for its costs to provide the water. In the event, Landlord and Tenant cannot mutually agree on compensation for Lodi's costs to provide the water, then the Parties agree to a valuation by a mutually acceptable objective third party. This right of first refusal shall continue as to any and all portions of the Leased Premises throughout the Term of this Lease as such may be extended. In the event Tenant elects not to meet any Offer, Landlord may thereafter sell the portion or portions of the Leased Premises which are the subject of the Offer and subject to the terms of this Lease provided Landlord sells the Leased Premises only to the party who made the Offer and only strictly in accordance with the terms thereof and subject to Landlord's continued obligation to provide Recycled Water as required by this Agreement. To prevent Landlord from defeating the rights of Tenant hereunder, Landlord agrees that Landlord will at no time accept an offer to purchase all or any portion of the Leased Premises together with any other property of Landlord in contravention of Tenant's right to purchase the Leased Premises or to use of the Recycled Water.

22.2 Right of First Refusal to Lease Additional Land with Rental Obligations

At any time during the Term of this Lease, Landlord shall not rent, lease, or convey all or a portion of the Optioned Premises, without first having complied with this Section 22.2. If Landlord desires to rent, lease, sell or convey the Optioned

Premises, Landlord must obtain from a third party a bona fide arms' length offer ("Bona Fide Offer") after which Landlord must submit a copy of the Bona Fide Offer in writing to Tenant and must give Tenant forty-five (45) days within which to elect to meet the Bona Fide Offer. If Tenant elects to meet the Bona Fide Offer, Tenant will give Landlord written notice thereof and may lease the Optioned Premises under the same terms and conditions contained in the Bona Fide Offer. In the event that Tenant chooses not to exercise its rights under this Section 22.2, Landlord agrees that Tenant, as the Tenant with prior rights shall have the priority to all Rental Obligations including, without limitation, Recycled Water. Further, in the event Tenant elects not to meet any Bona Fide Offer, Landlord may thereafter rent, sell or convey the portion or portions of the Optioned Premises which are the subject of the Bona Fide Offer only to the party who made the Bona Fide Offer and only strictly in accordance with the terms thereof. This right of First Refusal will continue as to any and all portions of the Optioned Premises throughout the term of this Lease as such may be extended to prevent Landlord from defeating the rights of Tenant in this Section 22.2. Landlord agrees that Landlord will at no time accept an offer to rent, lease or purchase all or any portion of the Optioned Premises together with any other property of Landlord in contravention of Tenant's right to lease, rent or purchase the Optioned Premises. Notwithstanding Landlord's rights to solicit a Bona Fide Offer from third parties, Landlord agrees that it will not entertain an offer to rent, lease or purchase the Optioned Premises for use as an electric power generating facility prior to 2018. In the event Tenant does not exercise its Right of First Refusal under this Section 22.2 and the rental terms of the Bona Fide Offer are more favorable than the rental terms and conditions in this Agreement, Landlord agrees to modify the terms of this Agreement to match those in the Bona Fide Offer.

22.3 Right to Lease Additional Land with Rental Obligations.

Notwithstanding the Right of First Refusal in Section 22.2, above, and even without a Bona Fide Offer from a third party, Landlord grants to Tenant an option to lease additional land with all Rental Obligations, including without limitation, necessary access and utility easements and sufficient Recycled Water so that Tenant may construct accessory power related structures or a new power plant on all or any portion of the Optioned Premises. If the Parties cannot agree to a mutually acceptable

annual rent, then the Parties Agree to hire a mutually acceptable neutral third party who will value the land and the Rental Obligations and set a base rent for the Optioned Premises. The Parties agree to negotiate in good faith a ground lease agreement for the Optioned Premises with a term of no less than fifty (50) years. The term of the option in this Section 22.3 may be coterminous with the Term of this Lease as such may be extended.

23. Abandonment of Wells.

23.1 Abandonment and Closure of Injection Wells.

Upon termination of this Lease, Tenant, at its sole expense, will abandon and close any and all injection wells utilized on the Premises by Tenant. Such abandonment shall be done in compliance with all applicable state and federal laws and regulations and under the direction of the California Department of Oil and Gas.

23.2 Abandonment Of Southeast Corner Test Well. The Landlord at its sole expense will abandon and close the test well located in the southeast corner of the Premises and will abandon the well in a timeframe mutually agreed to by the Parties. Such abandonment shall be done in compliance with all applicable local, state and federal laws and regulations.

24. Dispute resolution.

24.1 Mediation.

The Parties agree to first submit any dispute arising out of or in connection with this Lease to a mutually acceptable professional mediator and to negotiate in good faith toward reaching an agreement with respect to the dispute. In such event, neither Party may proceed with arbitration until the completion of mediation, the mediation being an express condition precedent to further remedies. The Parties may, however, agree in writing to proceed directly to arbitration. Each Party will pay an equal share of the costs of retaining the professional mediator but will bear its own costs, including, but not limited to its own attorneys' fees associated with participating in any mediation.

24.2 Binding arbitration.

Should the Parties be unable or unwilling to resolve their dispute through the mediation process provided in Section 24.1 above, either Party may give written

notice to the other Party and elect to have the matter resolved by final and binding arbitration in accordance with the rules and procedures of the arbitrator selected in accordance with this Section 24.2. The Party seeking arbitration shall set forth in its notice the particulars of its claims and shall state with specificity the issue(s) to be submitted to arbitration and the relief sought. Within thirty (30) days of the date of the election to arbitrate, the Parties shall select a single, mutually agreeable arbitrator. If the Parties are unable to agree, they shall request that the Judicial Arbitration and Mediation Service, Inc. ("JAMS"), if such entity is then in existence, appoint an arbitrator in accordance with then current procedures. The arbitrator must be a retired judge of the Superior Court of California or the Court of Appeal of California, or a retired judge of the United States District Court sitting in California. If JAMS is not in existence, the Presiding Judge of the San Joaquin Superior Court will appoint an arbitrator in accordance with its then current procedures.

24.2.1 The rules and procedures for arbitration shall be as follows:

24.2.2 The arbitrator must be selected and arbitration must be conducted within a reasonable time, but in no event later than one hundred and eighty (180) days after the date upon which the demand for arbitration is filed.

24.2.3 The arbitration proceedings must be conducted in San Joaquin County, California, at a time and location as agreed to in writing by the Parties, or in absence of an agreement, as designated by the arbitrator.

24.2.4 Subject to the same rules pertaining to privileged communications and attorney work product that would apply if the proceeding was filed in the courts of the State of California, the arbitrator shall have the authority to make all decisions regarding the relevance, materiality, and admissibility of all evidence offered at the arbitration. The California Evidence Code will generally guide the arbitrator in making such decisions.

24.2.5 The arbitrator may issue any remedy or relief, whether provisional or permanent, including but not limited to a default judgment, which the Parties could have obtained under the law applicable in courts of the State of California under the same factual circumstances, and the arbitrator must follow and otherwise employ the standards for issuing such relief as defined by California law; provided,

however, that the arbitrator will have no authority or jurisdiction to enter an award, order, or decision for consequential, special, exemplary or punitive damages. The arbitrator may also grant such ancillary relief as is necessary to make effective the award, order, or decision, including the issuance of declaratory relief, compelling specific performance, or any other relief or action permitted by California law.

24.2.6 The provisions of CCP section 1283.05 are incorporated into this Agreement to arbitrate. Both Parties may conduct discovery (except issuance of interrogatories) as if the matter were pending before a Superior Court of the State of California and the arbitrator will have the full power of the State of California to issue and enforce subpoenas and to award sanctions. Either Party will have the right to demand in writing that the other Party provide a list of witnesses it intends to call at the hearing, designating which witnesses will be called as expert witnesses, and a list of documents it intends to introduce at the hearing. The responding Party's list(s) must be served personally or by registered or certified mail on the requesting Party, with a copy to the Arbitrator, at least thirty (30) days before the hearing.

24.2.7 Each Party may be represented by counsel.

24.2.8 No later than sixty (60) days following closing of the arbitration hearing, the arbitrator will make an award, order, or decision and issue a written opinion consisting of findings of fact and conclusions of law and setting forth the bases of the award, order, or decision. The arbitrator may include in his or her award, order, or decision pre-award interest and post-award interest at the legal rate where authorized by law. The Party against whom the award, order, or decision is made or remedy or relief ordered will have thirty (30) days after receipt of the award, order, or decision to commence and thereafter diligently pursue to completion any action or proceeding in any court of the State of California of appropriate jurisdiction located in the County of San Joaquin to obtain judicial review of the award, order, or decision. If the award, order, or decision is mailed, it will be deemed to be received within five (5) days after deposit in the mail.

24.2.9 If no such action or proceeding is timely commenced, the award, order, or decision will thereupon immediately become final. The Party against whom the award, order, or decision is made or remedy or relief ordered shall within

thirty (30) days after the award, order, or decision becomes final make full payment and/or commence and thereafter diligently pursue to completion any other action required by the award, order, or decision. The Party in whose favor the award, order, or decision is made may request and obtain from any court of the State of California of appropriate jurisdiction located in the County of San Joaquin a Judgment upon the award, order, or decision rendered by the arbitrator, which may thereafter be entered in the records of said court.

24.2.10 If an action or proceeding is timely filed in any court of the State of California of appropriate jurisdiction located in the County of San Joaquin to obtain judicial review of the award, order, or decision, the Parties will have the right to seek vacation or modification of any portion of the award, order, or decision according to the grounds provided by California law at the time for the vacation or modification of an award, order, or decision in a non-judicial arbitration. The findings of fact of the arbitrator will be binding on all Parties and shall not be subject to further review except as allowed by the appeal provisions of this Section 24.2.10.

24.2.11 The arbitrator will be paid a per diem or hourly charge as established at the time of appointment. Each Party will bear its own attorneys' fees and costs in presenting its case. All other actual costs of conducting the arbitration, including without limitation the administrative fee and the arbitrator's compensation, will be shared equally.

24.2.12 This arbitration clause shall be interpreted under the arbitration laws of the State of California and not the Federal Arbitration Act, 9 U.S.C. § 1. Except as otherwise provided in this Lease, any motion, application, complaint or proceeding arising out of or relating to this arbitration clause shall be determined in accordance with the law of the State of California.

24.2.13 Unless otherwise provided in this Lease or otherwise agreed in writing, the Parties must continue to perform their respective obligations under this Lease during the pendency of arbitration proceedings.

24.2.14 Except as modified or stated to the contrary in this Section 24, the rules and procedures of the arbitrator in effect at the time of the arbitration will apply to the arbitration procedure.

25. Miscellaneous.

25.1 Attorneys' Fees.

Except as otherwise provided in Section 24 respecting attorneys' fees in mediation and arbitration, in the event any action is brought by Landlord or Tenant against the other to enforce or for the breach of any of the terms, covenants or conditions contained in this Lease, the prevailing Party shall be entitled to recover reasonable attorneys' fees to be fixed by the Court, together with costs of suit therein incurred.

25.2 Waiver.

No waiver of any breach of any of the terms, covenants, agreements, restrictions or conditions of this Lease shall be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions and conditions hereof. No delay or omission of either Party to exercise any right or remedy shall be construed as a waiver of any such right or remedy or of any default under this Lease.

25.3 Holding Over.

If Tenant holds over the Leased Premises after the expiration of the term hereof with the consent of Landlord, either express or implied, such holding over shall be construed to be only a tenancy from month to month, subject to all the covenants, conditions and obligations in this Lease, and Tenant hereby agrees to pay to Landlord the same monthly Rent as provided in this Lease; provided, however; that nothing herein contained may be construed to give Tenant any rights to so hold over and to continue in possession of the Leased Premises after the expiration of the term hereof.

25.4 Surrender at End of Term.

Upon the end of the Term of this Lease, as provided herein, or any extension thereof, or sooner termination of this Lease, Tenant shall surrender to Landlord all the Leased Premises, together with all improvements as hereinabove provided, and all fixtures. Upon surrender of the Premises, Tenant shall, if directed by the Landlord, remove at its own expense any and all equipment remaining thereon.

25.5 Lease Binding Upon Successors and Assigns.

Subject to the limitations on assignment and subleasing, each of the terms, covenants and conditions of this Lease shall extend to and be binding on and inure to the benefit of not only Landlord and Tenant, but each of their successors and assigns. Whenever in this Lease reference is made to either Landlord or Tenant, the reference shall be deemed to include, wherever applicable, the successors and assigns of the Parties as if in every case expressed.

25.6 Inspection.

Landlord reserves the right for Landlord and Landlord's agents and representatives to enter upon the Leased Premises at any reasonable time with seventy-two (72) hours' advance written notice for the purpose of attending to Landlord's interest hereunder and to inspect the Leased Premises.

25.7 Relationship of Parties.

The parties acknowledge that Landlord is a member of the Tenant joint powers authority, and that as a member, it is a participant in both the CT2 and LEC Projects. Notwithstanding the foregoing, the relationship of the Parties hereto is that of Landlord and Tenant, and it is expressly understood and agreed that merely as a result of this Lease, Landlord does not in any way nor for any purpose become a partner of Tenant or a joint venture with Tenant in the conduct of Tenant's business or otherwise, except as provided by the Phase 3 CT2 agreement or the LEC Power Sales and Project Management and Operations agreements or any similar agreement.

25.8 Time of the Essence.

Time is expressly declared to be of the essence of this Lease.

25.9 Memorandum of Lease.

This Agreement will not be recorded, but the Parties agree to execute and deliver an Amended and Restated Memorandum of this Lease in recordable form, which Memorandum shall be recorded in the office of the Recorder in San Joaquin County, California and which will supersede the memorandum of lease previously recorded with reference to the Original Lease.

25.10 Quitclaim.

At the expiration or earlier termination of this Lease, Tenant shall execute, acknowledge and deliver to Landlord within five (5) days after written demand from Landlord to Tenant any quitclaim deed or other document required by any reputable title company to remove the cloud of this Lease from the real property subject to this Lease.

25.11 Number and Gender.

Whenever the singular number is used in this Lease and when required by the context, the same includes the plural, and the masculine gender includes the feminine and neuter genders, and the word "person" includes corporation, firm, entity or association. If there is more than one Tenant, the obligations imposed under this Lease upon Tenant shall be joint and several.

25.12 Headings and Titles.

The marginal headings or titles to the paragraphs of this Lease are not a part of this Lease and have no effect upon the construction or interpretation of any part of this Lease.

25.13 Entire Agreement.

This Lease and the Exhibits hereto contain the entire agreement of the Parties hereto with respect to the matters covered hereunder, and no previous written or oral agreements, statements or promises made by any Party to this Agreement respecting the lease of the Premises that are not contained in this Lease will be binding or valid.

25.14 Force Majeure.

Except as to the payment of rent, neither of the Parties hereto shall be chargeable with, liable for, or responsible to, the other for anything or in any amount for any delay caused by fire, earthquake, explosion, flood, hurricane, the elements, acts of God, or the public enemy, action or interference of governmental authorities or agents, war, invasion, insurrection, rebellion, riots, strikes, or lockouts or any other cause whether similar or dissimilar to the foregoing, which is beyond the control of the Parties and any delay due to said causes or any of them shall not be deemed a breach of or default in the performances of this Lease.

25.15 Disclaimer of Representation.

Except as otherwise specifically provided in this Lease, Landlord has made no representations or warranties to the Tenant concerning the Leased Premises, the present use thereof or the suitability for Tenant's intended use of the property. The foregoing disclaimer includes, without limitation, topography, climate, air, water, water rights, utilities, present and future zoning, soil, subsoil, drainage, access to public roads, proposed routes of roads, or extension thereof, or effect of any state or federal environmental protection laws or regulations. Tenant represents and warrants to Landlord that Tenant and its representatives have made or will make their own independent inspection and investigation of the Leased Premises and Tenant, in entering into this Lease, is relying solely on such inspection and investigation. No patent or latent physical condition of Leased Premises, whether or not known or discovered, will affect the rights of either Party hereto. Any agreement, warranties or representations relating to this Lease and not expressly contained in this Agreement shall in no way bind either Tenant or Landlord. Landlord and Tenant waive any right or rescission and all claims for damages by reason of any statement, representations, warranty, promise and agreement, if any, not contained in this Lease.

25.16 Quiet Enjoyment.

This Lease is subject and junior only to all existing easements, covenants, conditions and restrictions and other matters and encumbrances of record as of the date of this Lease or that are a part of this Lease. As long as Tenant is not in default of any provision of this Lease, Tenant shall have quiet enjoyment of the premises.

25.17 Termination.

Tenant may terminate this Lease at any time upon six (6) months advance notice.

25.18 Severability.

In the event any portion of this Agreement is held invalid or unenforceable for any reason, the Parties agree that the rental of the STIG and LEC shall revert to and be governed by the First Amended Lease and the Recycled Water Agreement.

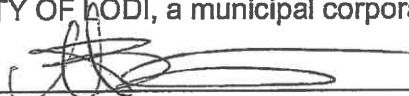
25.19 Counterparts.

This Lease may be executed in counterparts each of which is deemed an original, and all such counterparts constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Ground Lease as of the date first set forth above.

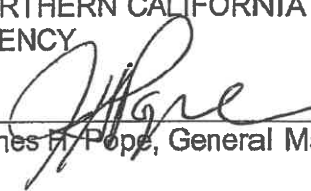
LANDLORD:

CITY OF NODI, a municipal corporation


Konradt Bartlam, City Manager

TENANT:

NORTHERN CALIFORNIA POWER
AGENCY


James H. Pope, General Manager


ATTEST:


Randi Johl, J.D., City Clerk

ATTEST:


Denise Dow, Assistant Secretary

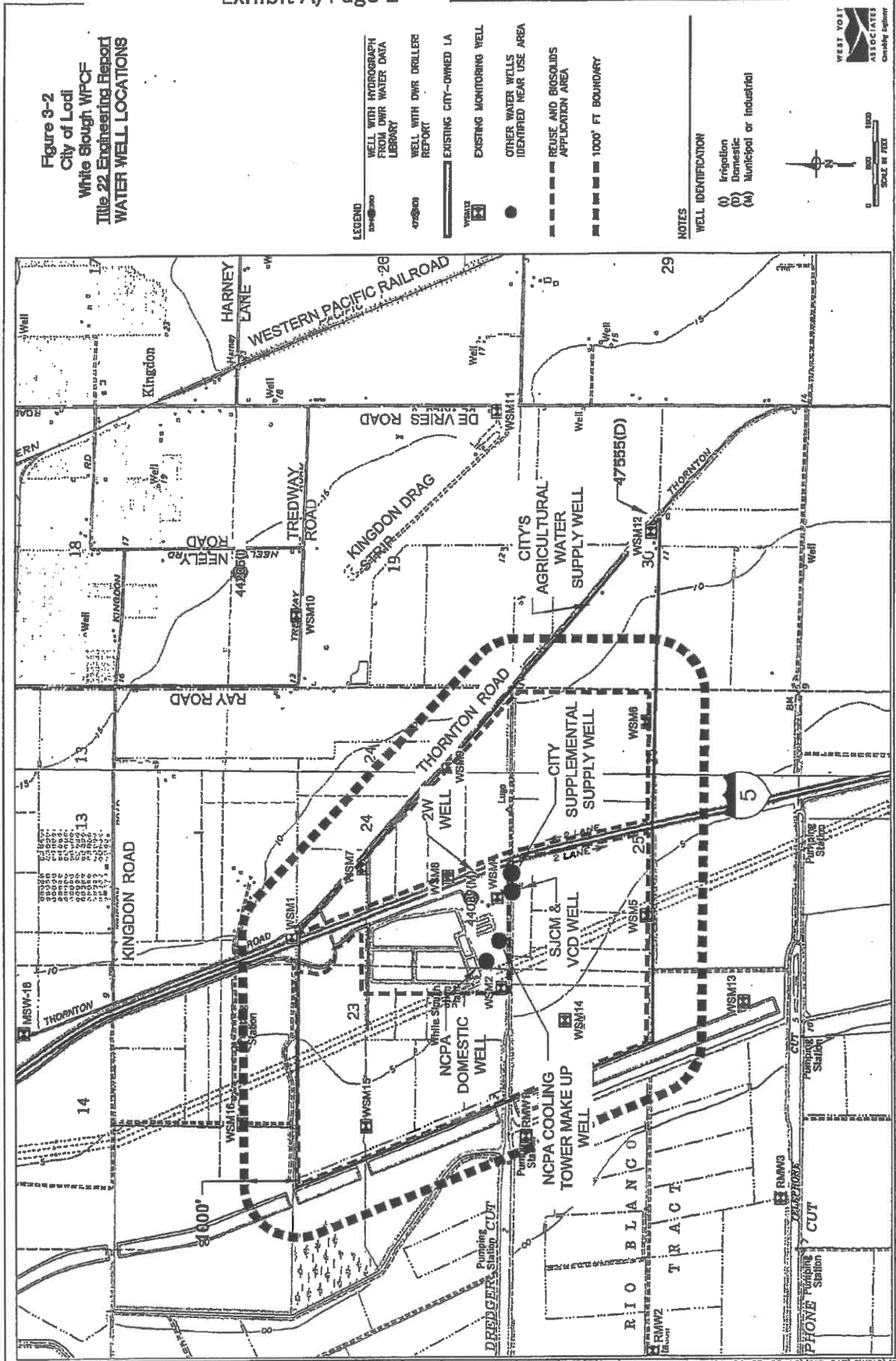
APPROVED AS TO FORM:

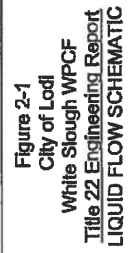

D. Stephen Schwabauer
City Attorney

APPROVED AS TO FORM:









Michael F. Dean, General Counsel

Figure 3-2
City of Lodi
White Slough WPCF
Title 22 Engineering Report
WATER WELL LOCATIONS





LEGEND

	GATE VALVE
	ECCENTRIC PLUG VALVE
	BUTTERFLY VALVE
	FLOW METER
	CONCENTRIC REDUCER
	PIPE STUB OUT
	PUMP

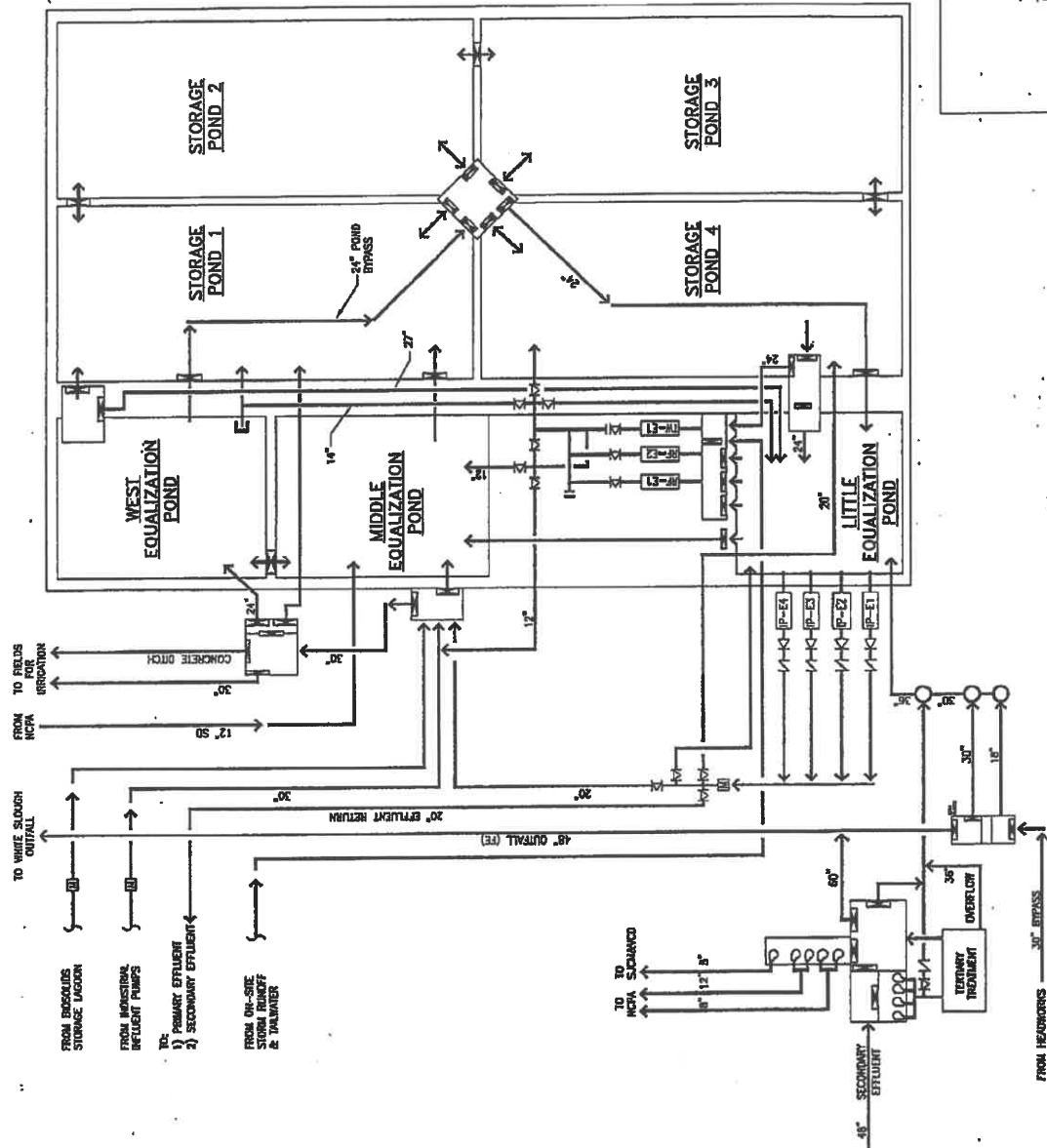
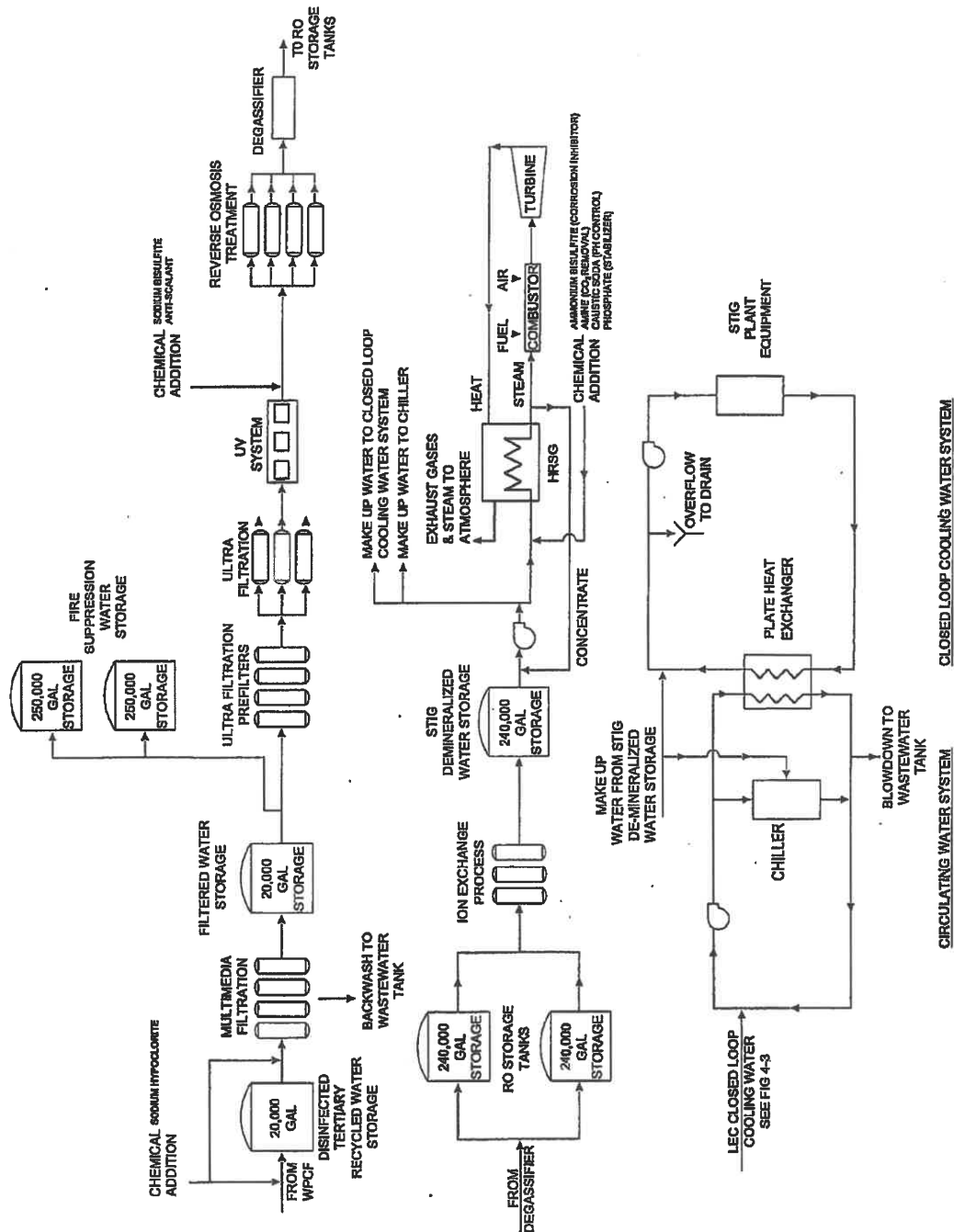


Figure 4-2
City of Lodi
White Slough WPCF
Title 22 Engineering Report
SCHEMATIC DIAGRAM
OF RECYCLED WATER
PROCESSES
IN THE
STIG PLANT

NOTE: SCHEMATIC DIAGRAM DOES NOT DEPICT ALL OF THE INTER-PROCESS PUMPING FACILITIES



NOTE: SCHEMATIC DIAGRAM DOES NOT DEPICT ALL OF THE INTER-PROCESS PUMPING FACILITIES

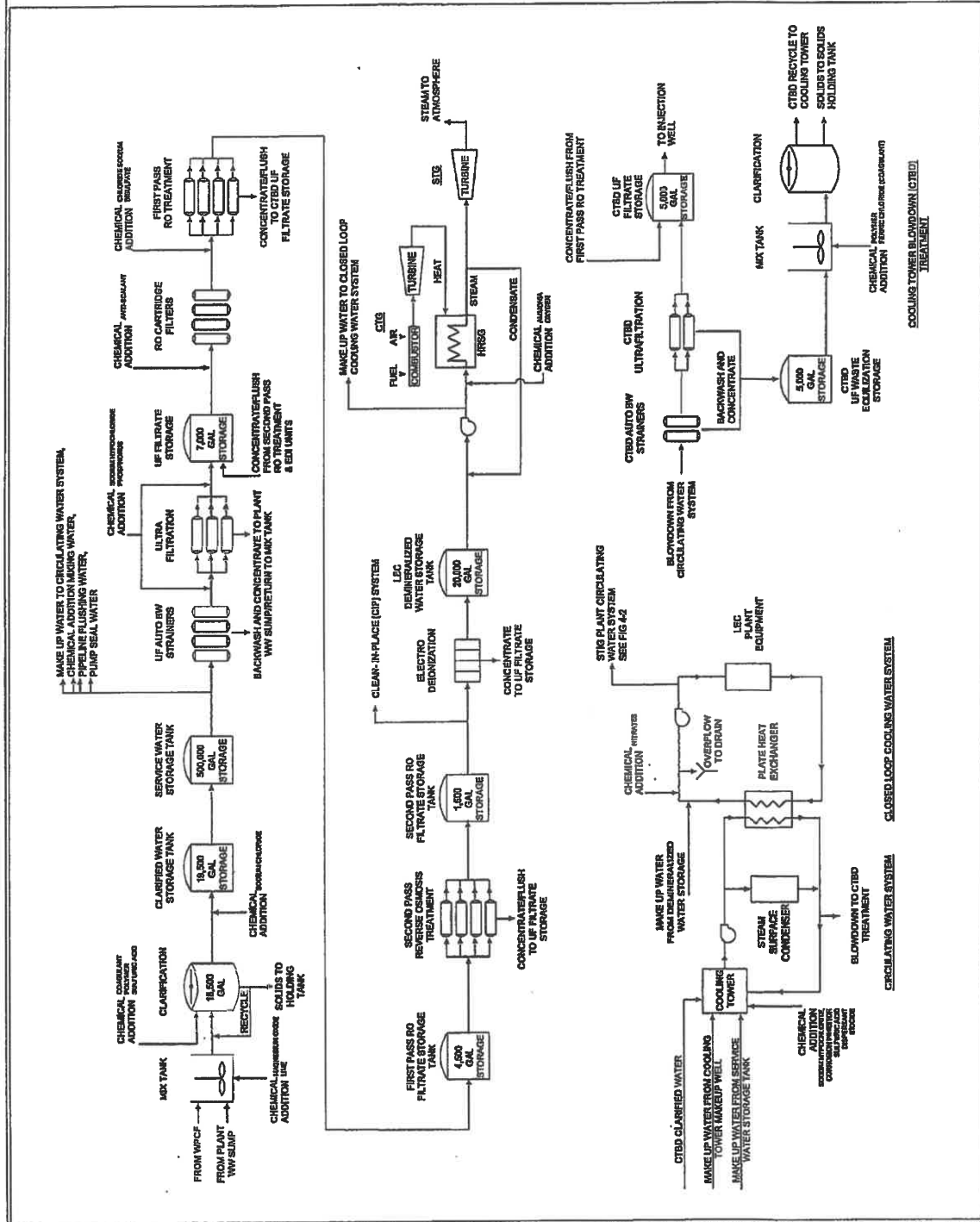


Figure 1-3
City of Lodi
White Slough WPOF
Title 22 Engineering Report
RECYCLED WATER SUPPLY TO
USE AREAS

Exhibit B

LEGEND:

- RECYCLED WATER
SUPPLY PIPELINES
- SERVICE WATER (24")
PIPELINE
- WASTEWATER INFLUENT
SEWER
- MUNICIPAL WASTE WATER
INFLUENT SEWER
MANHOLE
- INDUSTRIAL WASTE WATER
INFLUENT SEWER
MANHOLE
- 24" WELL
- NCPA AND SICM
& VCD FENCING
- NCPA DOMESTIC USE WELL



NOT TO SCALE

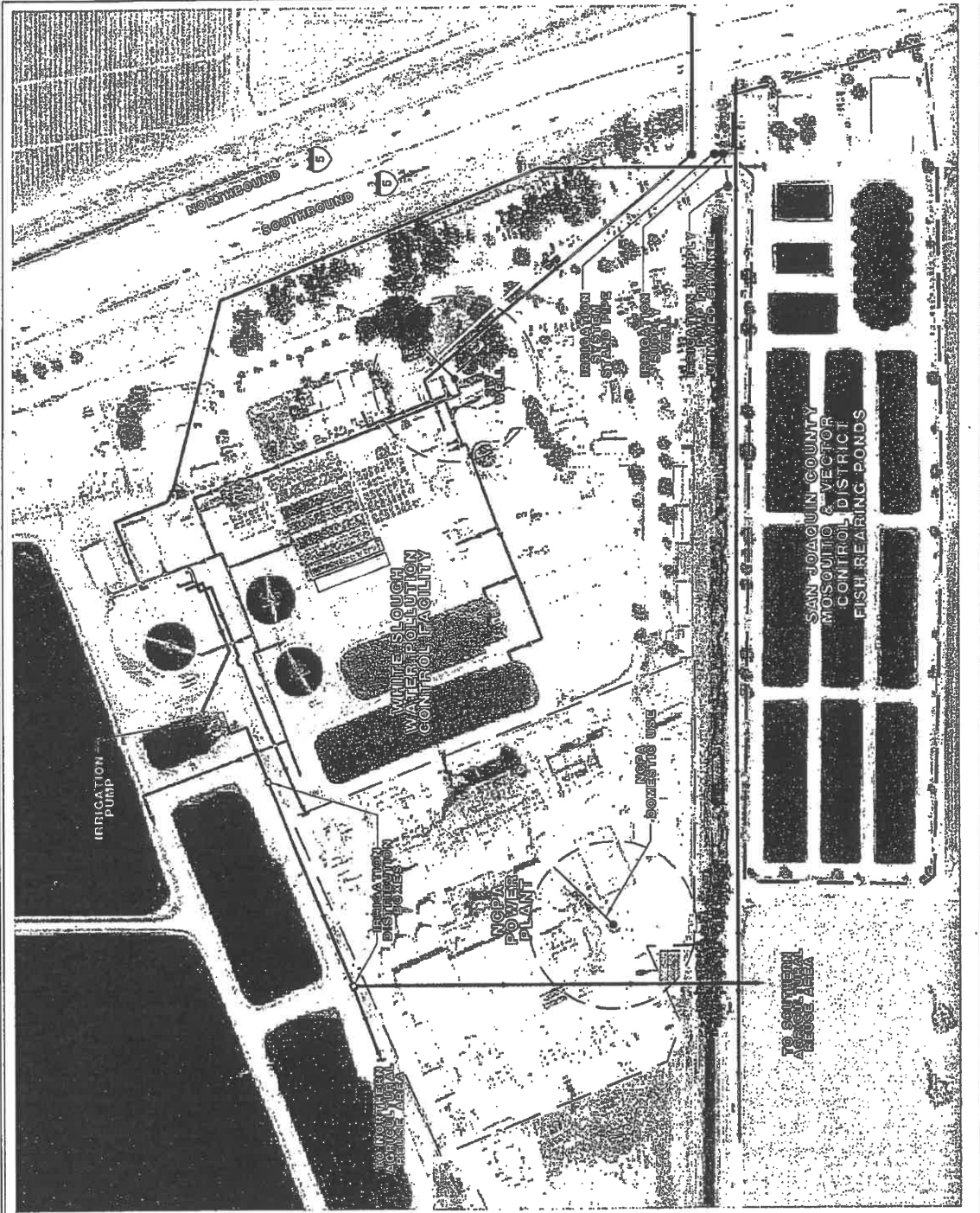


Exhibit C

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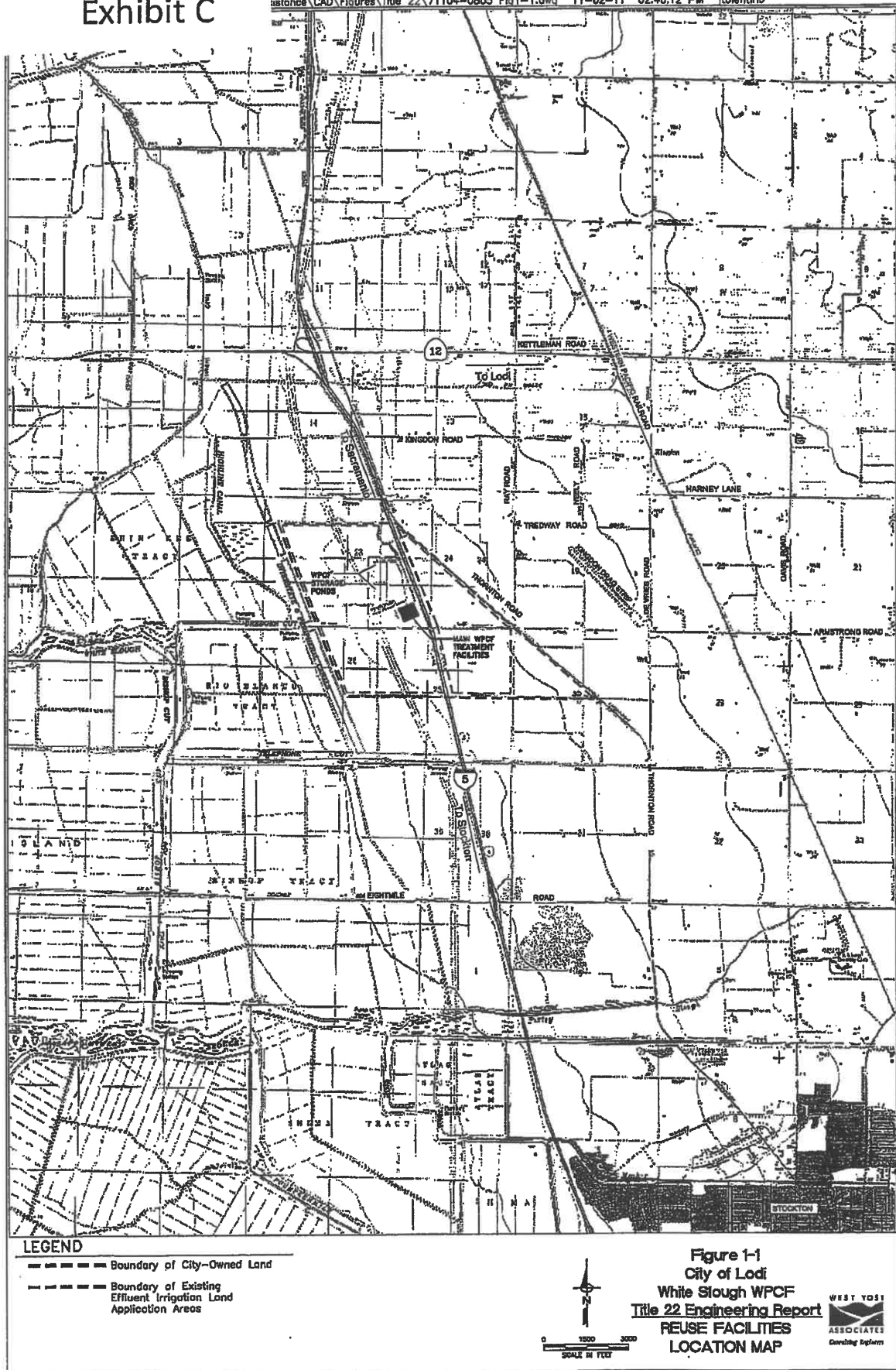
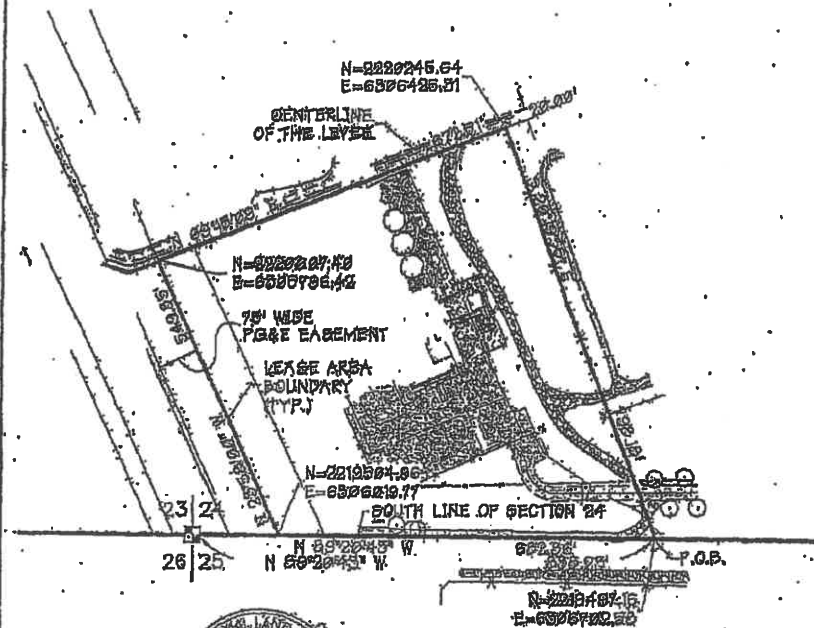




Exhibit D



7-31-2009

3143500 201pm 001 3-LEASE

CARLTON
Engineering, Inc.

Exhibit D

Lease Area

All that real property situated in the Southwest one-quarter of Section 24, Township 3 North, Range 5 East, M.D.M., County of San Joaquin, State of California described as follows:

A portion of that certain parcel described in Book 1023 Page 463 Official Records filed at the Office of the Recorder of San Joaquin County, more particularly described as follows:

BEGINNING AT A POINT on the South line of said Section 24 twenty-four (24) feet from the Southwest corner of said Section 24 being North $89^{\circ}21'00''$ West 224.23 feet, Thence South and East to the Point of Beginning North $89^{\circ}21'00''$ West 349.85 feet along and along the line, thence along the line along the East boundary of an easement granted to Pacific Gas & Electric Company described in that Deed dated September 6, 1957 recorded in Book 2813 of Official Records at Page 426, San Joaquin County Records, North $23^{\circ}58'00''$ West 349.85 feet to a point measuring 18.00 feet, at right angles, to the centerline of the South levee of the White Slough Water Pollution Control Plant Sluicing Ditch, thence parallel with and 20.00 feet distant from the centerline of said levee North $69^{\circ}15'00''$ East 672.51 feet, thence South $20^{\circ}19'55''$ East 798.18 feet to the Point of Beginning.

Containing 16.1 Acres (462,850 Sq. Ft.)

This legal description is based on record bearings and distances shown on the Record of Survey filed at Book 32 Page 175 with San Joaquin County Recorder's Office.



7-31-2008

Exhibit E

Roadway and Incidental Purposes Easement

All that real property situated in the Southwest one-quarter of Section 24, Township 3 North, Range 5 East, M.D.M., County of San Joaquin, State of California described as follows:

A portion of that certain parcel described in Book 1023 Page 463, Official Records filed at the Office of the Recorder of San Joaquin County, more particularly a strip of land 20.00 feet in width, the description of which is described as follows:

BEGINNING AT A POINT on the East boundary of a tract owned to Northeast California Power Agency (NCPA) from which the Southwest corner of said Section 24 bears the following bearings (2) courses: 1) South $30^{\circ}19'35''$ East 88.05 feet along said East boundary to the South line of said Section 24, 2) North $89^{\circ}20'43''$ West 838.23 feet along the South line of said Section 24 to the Southwest corner thereof. Thence from said Point of Beginning North $89^{\circ}36'37''$ East 483.64 feet along the centerline of an existing asphalt road to the beginning of a curve to the left, thence through said curve to the left having a Radius of 273.31 feet, an Arc Length of 526.14, and being subtended by a Chord bearing North $34^{\circ}21'38''$ East 448.58 feet, thence North $20^{\circ}47'20''$ West 347.74 feet to the beginning of a curve to the right, thence through said curve to the right having a Radius of 84.46 feet, an Arc Length of 74.71 feet, and being subtended by a Chord bearing North $64^{\circ}54'00''$ East 72.29 feet, thence North $29^{\circ}55'37''$ East 44.45 feet to the beginning of a curve to the left, thence through said curve to the left having a Radius of 88.96 feet, an Arc Length of 74.43 feet, and being subtended by a Chord bearing North $08^{\circ}34'48''$ East 76.81 feet, thence North $20^{\circ}46'02''$ West 104.48 feet to the beginning of a curve to the left, thence through said curve to the left having a Radius of 202.60 feet, an Arc Length of 10.99 feet, and being subtended by a Chord bearing North $21^{\circ}43'04''$ West 109.59 feet, thence North $22^{\circ}40'06''$ West 489.33 feet to the beginning of a curve to the left, thence through said curve to the left having a Radius of 1876.10 feet, an Arc Length of 109.86 feet, and being subtended by a Chord bearing North $24^{\circ}33'16''$ West 108.94 feet, thence North $25^{\circ}25'26''$ West 44.61 feet to the North line of the Southwest One-Quarter of said Section 24.

The sidelines of said strip of land shall be lengthened or shortened to terminate at the North line of the Southwest One-Quarter of said Section 24 and the East boundary of said NCPA Lease parcel, respectively.

This legal description is based on record bearings and distances shown on the Record of Survey filed at Book 32 Page 175 with San Joaquin County Recorder's Office.

Containing 1.54 Acres (87,148 Sq. Ft.)



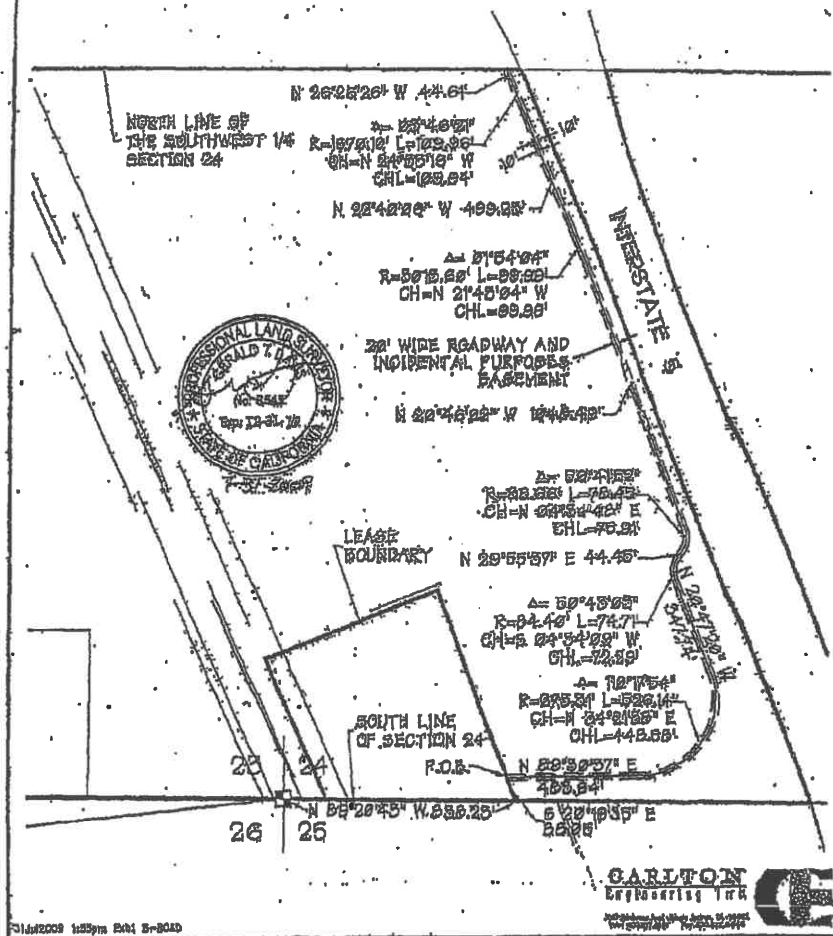


Exhibit F

EASEMENT AGREEMENT

Recording Requested by
and when Recorded, return to:

Northern California Power Agency
Attn: Assistant General Manager
651 Commerce Drive
Roseville, CA 95678

EXEMPT FROM RECORDING FEES PER GOVERNMENT
GOVERNMENT CODE §§6103, 27383

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

This Easement Agreement ("Agreement") is made and entered into this 22nd day of March, 2010, and is by and between the City of Lodi, a California municipality ("City") and the Northern California Power Agency, a California joint powers agency ("NCPA"). The City and NCPA, and their successors and assigns, are singularly referred to as a "Party" and jointly referred to as the "Parties."

RECITALS

- A. The Parties entered into that certain Amended and Restated Ground Lease dated as of the same date as this Agreement for property located in the City adjacent to the White Water Slough Water Pollution Control Facility as more fully identified on the map attached hereto as Exhibit A (the "Property") for the purpose of constructing, operating and maintaining gas turbine power generation plants;
- B. NCPA is constructing a new gas turbine power plant on the Property and is in need of additional land adjacent to the east side of the Property, also identified in the map attached as Exhibit A to this Agreement, (the "Land") for the purpose of constructing a road;
- C. The City uses the Land to maintain the berm located immediately adjacent to the Land;
- D. The Parties recognize that their uses for the Land are not mutually exclusive and that the City can provide NCPA with a non-exclusive easement to construct its road while at the same time maintaining the City's access to maintain the berm.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Grant of Easement. The City hereby grants, conveys, and dedicates to NCPA for use as a roadway or buffer over the Land identified on Exhibit A and more fully defined in the legal description attached hereto as Exhibit B (the "Easement"). NCPA's right to use the Land will be exclusive with the exception of the City's use to maintain, construct or reconstruct the berm shown in Exhibit A. The City covenants that, save the rights retained by the City to maintain the berm, it will not grant any rights to any other persons or entities.
2. Character of Easement. The Easement granted in this Agreement is expressly for the benefit of NCPA to use as a roadway for access to, or buffer adjacent to the Lodi Energy Center Project located on the Property. The Property is thus the dominant estate and the Land upon which the Easement is located is the servient estate. The Easement created by this Agreement is appurtenant to the Property that is the dominant estate to which it relates, shall run with the land and may not be transferred, assigned or encumbered except as an appurtenance to the dominant estate.
3. Easement Runs with the Land/Successors and Assigns. Each covenant contained in this Agreement (a) constitutes a covenant running with the Land; (b) binds successors in interest of each Party, and (c) will inure to the benefit of each Party's successors in interest. Any person or entity accepting a deed or other instrument conveying, granting, leasing or assigning any property affected or benefitted by this Agreement or any portion thereof or interest therein will take title subject to this Agreement, and such person will be deemed to have assumed all of the applicable obligations imposed in this Agreement with regard to such property regardless of whether this Agreement is mentioned in the deed, lease or other instrument. Whenever a reference in this Agreement is made to the City or NCPA, the reference will be deemed to also mean a reference to the successors in interest of each Party, or the Parties, as applicable, as if in every case so expressed.

4. Term of Easement. This Agreement will remain in full force and effect concurrently with the term of the Amended and Restated Ground Lease and any extensions thereto.
5. Rent. The rent for the easement will be \$1.00 per year and will be paid in advance on or before July 1st of each year.
6. Maintenance of the Easement. NCPA will, at its sole cost, maintain the Easement in a safe condition as appropriate for the use to which NCPA will put the Easement. In the event NCPA installs a roadway, it will be for the sole use of NCPA and will not be made a public roadway. NCPA will not be required to install curbs, gutters or sidewalks, or paint any markings on the road. The road will not be available for access or use by the general public. The City will, at its sole cost, maintain the berm adjacent to the roadway.
7. No Barriers. The Parties agree that absent the written consent of the Parties and with the exception of the berm, no wall, fence, or barrier of any kind which impairs or impedes access to, or use of, the Easement will be constructed or maintained on or adjacent to the Easement, nor will the Parties do anything that will prevent, impair or discourage the use or exercise of the entire Easement or the free access and movement across the Easement area.
8. Indemnification. NCPA will indemnify, defend, protect and hold harmless, the City, its elected and appointed officials, employees, and agents from and against all claims, demands, liabilities, judgments, losses, costs and expenses arising out of or related to NCPA's or its agent's, employee's or invitee's use and maintenance of the Easement. The City will indemnify, defend, protect and hold harmless, NCPA, its elected and appointed officials, employees, and agents from and against all claims, demands, liabilities, judgments, losses, costs and expenses arising out of or related to the City's or its agent's, employee's or invitee's use of the Easement and maintenance of the berm.
9. Insurance. At all times during the term of this Agreement, NCPA shall include the Easement in the insurance it is obligated to maintain on the Property under the Amended and Restated Ground Lease.

10. Default/Remedies. An "Event of Default" under this Agreement occurs if either Party fails to comply with any of the covenants or obligations in this Agreement or fails to commence to cure with reasonable diligence such failure within ten (10) days after receipt of written notice from the other Party of the default. Upon the occurrence of an Event of Default under this Agreement, the aggrieved Party may pursue all remedies at law or in equity, including without limitation, the remedy of specific performance of this Agreement.

11. Dispute Resolution

11.1 Mediation. The Parties agree to first submit any dispute arising out of or in connection with this Agreement to a mutually acceptable professional mediator and to negotiate in good faith toward reaching an agreement with respect to the dispute. In such event, neither Party may proceed with arbitration until the completion of mediation, the mediation being an express condition precedent to further remedies. The Parties may, however, agree in writing to proceed directly to arbitration. Each Party will pay an equal share of the costs of retaining the professional mediator but will bear its own costs, including, but not limited to its own attorneys' fees associated with participating in any mediation.

11.2 Binding arbitration. Should the Parties be unable or unwilling to resolve their dispute through the mediation process provided in Section 11.1 above, either Party may give written notice to the other Party and elect to have the matter resolved by final and binding arbitration in accordance with the rules and procedures of the arbitrator selected in accordance with this Section 11.2. The Party seeking arbitration shall set forth in its notice the particulars of its claims and shall state with specificity the issue(s) to be submitted to arbitration and the relief sought. Within thirty (30) days of the date of the election to arbitrate, the parties shall select a single, mutually agreeable arbitrator. If the Parties are unable to agree, they shall request that the Judicial Arbitration and Mediation Service, Inc. ("JAMS") if such entity is then in existence, appoint an arbitrator in accordance with then current procedures. The arbitrator must be a retired Judge of the Superior Court of California or the Court of Appeal of California, or a retired Judge of the United States District Court sitting in California. If JAMS is not in existence, the

Presiding Judge of the San Joaquin Superior Court will appoint an arbitrator in accordance with its then current procedures.

11.2.2 The rules and procedures for arbitration shall be as follows:

11.2.2.1 The arbitrator must be selected and arbitration must be conducted within a reasonable time, but in no event later than ninety (90) days after the date upon which the demand for arbitration is filed.

11.2.2.2 The arbitration proceedings must be conducted in San Joaquin County, California, at a time and location as agreed to in writing by the Parties, or in absence of an agreement, as designated by the arbitrator.

11.2.2.3 Subject to the same rules pertaining to privileged communications and attorney work product that would apply if the proceeding was filed in the courts of the State of California, the arbitrator shall have the authority to make all decisions regarding the relevance, materiality, and admissibility of all evidence offered at the arbitration. The California Evidence Code shall generally guide the arbitrator in making such decisions.

11.2.2.4 The arbitrator may issue any remedy or relief, whether provisional or permanent, including but not limited to a default judgment, which the Parties could have obtained under the law applicable in courts of the State of California under the same factual circumstances, and the arbitrator must follow and otherwise employ the standards for issuing such relief as defined by California law; provided, however, that the arbitrator will have no authority or jurisdiction to enter an award, order, or decision for consequential, special, exemplary or punitive damages. The arbitrator may also grant such ancillary relief as is necessary to make effective the award, order, or decision, including the issuance of declaratory relief, compelling specific performance, or any other relief or action permitted by California law.

11.2.2.5 Both Parties may conduct discovery as if the matter were pending before a Superior Court of the State of California and the arbitrator will have the full power of the State of California to issue and enforce subpoenas and to award sanctions. Either Party will have the right to demand in writing that the other Party provide a list of witnesses it intends to call at the hearing, designating which witnesses will be called as expert witnesses, and a list of documents it intends to introduce at

hearing. The responding Party's list(s) must be served personally or by registered or certified mail on the requesting Party, with a copy to the Arbitrator, at least thirty (30) days before the hearing.

11.2.2.6 Each Party may be represented by counsel.

11.2.2.7 No later than sixty (60) days following closing of the arbitration hearing, the arbitrator will make an award, order, or decision and issue a written opinion consisting of findings of fact and conclusions of law and setting forth the bases of the award, order, or decision. The arbitrator may include in his or her award, order, or decision pre-award interest and post-award interest at the legal rate where authorized by law. The Party against whom the award, order, or decision is made or remedy or relief ordered will have thirty (30) days after receipt of the award, order, or decision to commence and thereafter diligently pursue to completion any action or proceeding in any court of the State of California of appropriate jurisdiction located in the County of San Joaquin to obtain judicial review of the award, order, or decision. If the award, order, or decision is mailed, it will be deemed to be received within five (5) days after deposit in the mail.

11.2.2.8 If no such action or proceeding is timely commenced, the award, order, or decision will thereupon immediately become final. The Party against whom the award, order, or decision is made or remedy or relief ordered shall within thirty (30) days after the award, order, or decision becomes final make full payment and/or commence and thereafter diligently pursue to completion any other action required by the award, order, or decision. The Party in whose favor the award, order, or decision is made may request and obtain from any court of the State of California of appropriate jurisdiction located in the County of San Joaquin a Judgment upon the award, order, or decision rendered by the arbitrator, which may thereafter be entered in the records of said court.

11.2.2.9 If an action or proceeding is timely filed in any court of the State of California of appropriate jurisdiction located in the County of San Joaquin to obtain judicial review of the award, order, or decision, the Parties will have the right to seek vacation or modification of any portion of the award, order, or decision according to the grounds provided by California law at the time for the vacation or modification of

an award, order, or decision in a non-judicial arbitration. The findings of fact of the arbitrator will be binding on all Parties and shall not be subject to further review except as allowed by the appeal provisions of this Section 11.2.2.9.

11.2.2.10 The arbitrator will be paid a per diem or hourly charge as established at the time of appointment. Each Party will bear its own attorneys' fees and costs in presenting its case. All other actual costs of conducting the arbitration, including without limitation the administrative fee and the arbitrator's compensation, will be shared equally.

11.2.2.11 This arbitration clause shall be interpreted under the arbitration laws of the State of California and not the Federal Arbitration Act, 9 U.S.C. § 1. Except as otherwise provided in this Agreement, any motion, application, complaint or proceeding arising out of or relating to this arbitration clause shall be determined in accordance with the law of the State of California.

11.2.2.12 Unless otherwise provided in this Agreement or otherwise agreed in writing, the Parties shall continue to perform their respective obligations under this Agreement during the pendency of arbitration proceedings.

11.2.2.13 Except as modified or stated to the contrary in this Section 11, the rules and procedures of the Arbitrator in effect at the time of the arbitration will apply to the arbitration procedure.

12. Memorandum of Agreement. Concurrently with the execution of this Agreement, the Parties shall execute a Memorandum of Agreement substantially in the form of Exhibit C hereto. NCPA shall cause such Memorandum of Agreement to be recorded against the Property in the County of San Joaquin Recorder's Office within three (3) business days after the execution thereof. The Parties agree to record a reconveyance of the Easement upon termination of the Amended and Restated Ground Lease.

13. Miscellaneous.

13.1 Payments and Notices. Any notice to be given or other document to be delivered by either Party to the other Party may be given by personal delivery or may be deposited in the United States mail in the State of California, duly registered or certified, with postage prepaid, and addressed to the Party for whom intended as follows, or it

may be sent via facsimile and will be duly given upon receipt of successful transmission to the following facsimile numbers:

To City: City of Lodi
Attn: City Manager
221 West Pine Street
Lodi, CA 95240
Facsimile: 209-333-6807

To NCPA: Northern California Power Agency
Attn: Assistant General Manager
Generation Services
651 Commerce Drive
Roseville, CA 95678
Facsimile: 916-783-7693

Either Party may from time to time by written notice to the other Party designate a different address which shall be substituted for the one specified above. If any notice or other document is sent by registered or certified mail, as provided above, the same shall be deemed served or delivered seventy-two (72) hours after the mailing thereof.

13.2 Waiver. No waiver of any breach of any of the terms, covenants, agreements, restrictions or conditions in this Agreement shall be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions and conditions hereof. No delay or omission of either Party to exercise any right or remedy shall be construed as a waiver of any such right or remedy or of any default under this Agreement.

13.3 Holding Over. If NCPA holds over the Leased Premises (as that term is defined in the Amended and Restated Ground Lease) after the expiration of the term of the Amended and Restated Ground Lease with the consent of City; either express or implied, this Agreement shall likewise remain in full force and effect for as long as the Amended and Restated Ground Lease remains in full force and effect, subject to all the covenants, conditions and obligations in this Agreement.

13.4 Relationship of Parties. It is expressly understood and agreed that merely as a result of this Agreement, the City does not in any way nor for any purpose become a partner of NCPA or a joint venture with NCPA in the conduct of NCPA's business or otherwise, except as provided by the Phase 2 and Phase 3 combustion turbine project number 2 agreements or the LEC agreements or any similar agreement.

13.5 Severability. If any term, provision, covenant or condition contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement will continue in full force and effect unless the rights and obligations of the Parties are materially altered or abridged by such invalidation, voiding or unenforceability.

13.6 Attorneys' Fees. In any action at law or in equity, arbitration or other proceeding arising in connection with this Agreement, the prevailing party shall recover attorneys' fees and other costs, including but not limited to court costs and expert and consultants' fees incurred in connection with such action in addition to any other relief awarded, and such attorneys' fees and costs shall be included in any judgment in such action.

13.7 Time of the Essence. Time is expressly declared to be of the essence in this Agreement.

13.8 Number and Gender. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender includes the feminine and neuter genders, and the word "person" includes corporation, firm, entity or association.

13.9 Headings and Titles. The marginal headings or titles to the sections of this Agreement are not a part of this Agreement and have no effect upon the construction or interpretation of any part of this Agreement.

13.10 Entire Agreement. This Agreement and the Exhibits hereto contain the entire agreement between the Parties with respect to the matters covered hereunder, and no other previous agreement, statement or promise made by any Party hereto which is not contained in this Agreement shall be binding or valid.

13.11 Force Majeure. Except as to the payment of rent, neither of the Parties hereto shall be chargeable with, liable for, or responsible to, the other for anything or in any amount for any delay caused by fire, earthquake, explosion, flood, hurricane, the elements, acts of God, or the public enemy, action or interference of governmental authorities or agents, war, invasion, insurrection, rebellion, riots, strikes, or lockouts or any other cause whether similar or dissimilar to the foregoing, which is beyond the

control of the Parties and any delay due to said causes or any of them shall not be deemed a breach of or default in the performances of this Agreement.

13.12 Termination. NCPA may terminate this Agreement at any time upon six (6) months advance notice, but in all cases, the Easement granted in this Agreement will terminate concurrently with the termination of the Amended and Restated Ground Lease.

13.13 Counterparts. This Agreement may be executed in counterparts each of which is deemed an original, and all such counterparts constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY:

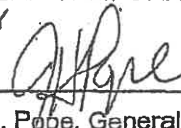
CITY OF LODI, a municipal corporation


Blair King, City Manager

Date: 5/6/10

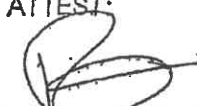
NCPA:

NORTHERN CALIFORNIA POWER
AGENCY

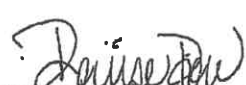

James H. Pope, General Manager

Date: 3/22/10


ATTEST:


Randi John, J.D., City Clerk

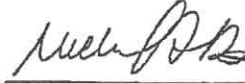
ATTEST


Denise Dow, Assistant Secretary

APPROVED AS TO FORM:



APPROVED AS TO FORM:



D. Stephen Schwabauer,
City Attorney

Michael F. Dean,
General Counsel

ACKNOWLEDGMENT

State of California
County of San Joaquin

On 5/6/2010 before me, Corina A. Farnsworth, Notary Public
(insert name and title of the officer)

personally appeared Blair King
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ ^{are}
subscribed to the within instrument and acknowledged to me that ~~he~~ ^{she} ~~he~~ ^{she} ~~they~~ executed the same in
his/her/their authorized capacity(ies), and that by ~~his~~ ^{her} ~~his~~ ^{her} ~~their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Corina A. Farnsworth (Seal)



STATE OF CALIFORNIA

)

) ss

COUNTY OF _____

)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT LIST

Exhibit A Map of the Property
Exhibit B Legal Description
Exhibit C Memorandum of Easement

EXHIBIT C

Roadway and Incidental Purposes Easement

All that real property situated in the Southwest one-quarter of Section 24, Township 2 North, Range 5 East, T12N, R5E, County of San Joaquin, State of California is described as follows:

A portion of that certain parcel described in Book 1024 Page 469 Official Records filed in the Office of the Recorder of San Joaquin County, more particularly a strip of land 26.00 feet in width, the sides of which shall be ascertained or extended to terminate respectively at the South line of said Section 24 and 20.00 feet measured at a right angle from the centerline of a levee, the West line of which is described as follows:

BEGINNING AT A POINT on the South line of said Section 24 from which the Southwest corner of said Section 24 bears North 89°20'43" West 888.23 feet. Thence from said Point of Beginning North 20°19'35" West 798.18 feet to a point measuring 20.00 feet, at right angles, to the centerline of the South levee of the White Slough Water Pollution Control Plant Siding by Ponds.

Containing 0.5 Acres (20,825 Sq. Ft.)

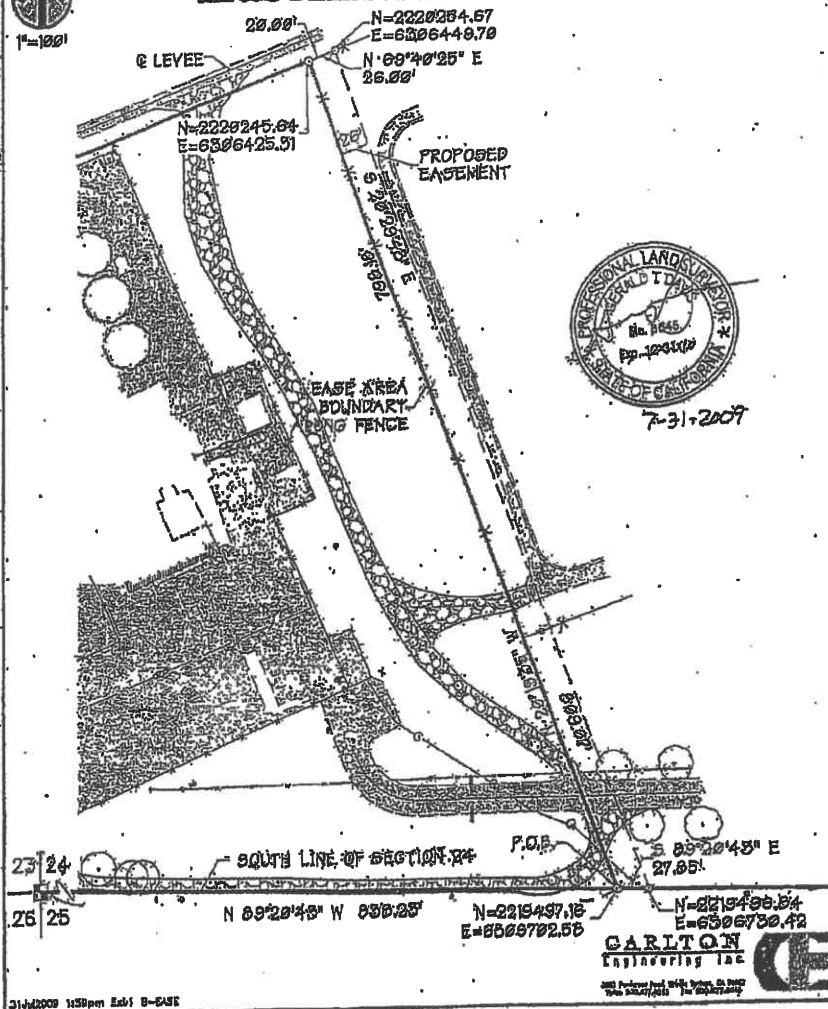
This legal description is based on record bearings and distances shown on the Record of Survey filed at Book 32 Page 175 with San Joaquin County Recorder's Office.



7-21-2009



Easement Exhibit C



Recording Requested by
and when Recorded, return to:

Northern California Power Agency
Attn: Assistant General Manager
651 Commerce Drive
Roseville, CA 95678

EXEMPT FROM RECORDING FEES PER GOVERNMENT CODE
§§103, 27383

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

MEMORANDUM OF EASEMENT

This Memorandum of Easement (this "Memorandum") dated as of 3/22/10 ~~2009~~, is made by and between the City of Lodi, a municipal corporation ("City") and the Northern California Power Agency, a California joint powers agency ("NCPA"). The City and NCPA are jointly referred to as the "Parties."

Pursuant to an Easement Agreement by and between the City and NCPA (the "Easement Agreement"), the City has granted to NCPA an easement, on the terms and conditions set forth in the Easement Agreement on real property located in the City of Lodi, San Joaquin County, California and more particularly described in Attachment 1 attached hereto and incorporated herein (the "Easement Area"). NCPA's use of the Easement Area shall be exclusive, with the exception of the City's right to use the Easement Area for maintenance, construction or reconstruction of the berm shown on Attachment 2 attached hereto and incorporated herein.

This Memorandum incorporates all of the terms and provisions of the Easement Agreement as though fully set forth herein. The term of the Easement Agreement runs concurrently with the term of the Amended and Restated Ground Lease on the dominant estate.

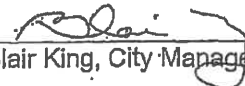
This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Easement Agreement. In the event of any inconsistency between this Memorandum and the Easement Agreement, the Easement Agreement shall control.

This Memorandum and the Easement Agreement shall bind and inure to the benefit of the Parties and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date first written above.

CITY:

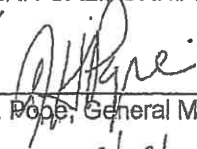
CITY OF LODI, a municipal corporation


Blair King, City Manager

Date: 5/6/10

NCPA:

NORTHERN CALIFORNIA POWER AGENCY


James H. Pope, General Manager

Date: 3/22/10

ATTACHMENT LIST

Attachment 1 Map of Property
Attachment 2 Legal Description

ATTEST:



RANDY JOELL
City Clerk

EXHIBIT C

Roadway and Incidental Purposes Easement

All that parcel of property situated in the Southwest one-quarter of Section 24, Township 3 North, Range 2 East, M.D.M., County of San Joaquin, State of California described as follows:

A portion of that certain parcel described in Book 1023 Page 463 Official Records filed at the Office of the Recorder of San Joaquin County, more particularly recited as follows: 26.00 feet in width, the sidewalk of which shall be hereinafter extended to terminate respectively at the South line of said Section 24 and 20.00 feet measured at a right angle from the centerline of a "hwy", the West line of which is described as follows:

BEGINNING AT A POINT on the South line of said Section 24 from which the Southwest corner of said Section 24 bears North $89^{\circ}20'43''$ West 832.25 feet. Thence from said Point of Beginning North $20^{\circ}19'35''$ West 798.18 feet to a point measuring 20.00 feet, at right angles, to the centerline of the South levee of the White Slough Water Pollution Control Plant Siding and Ponds.

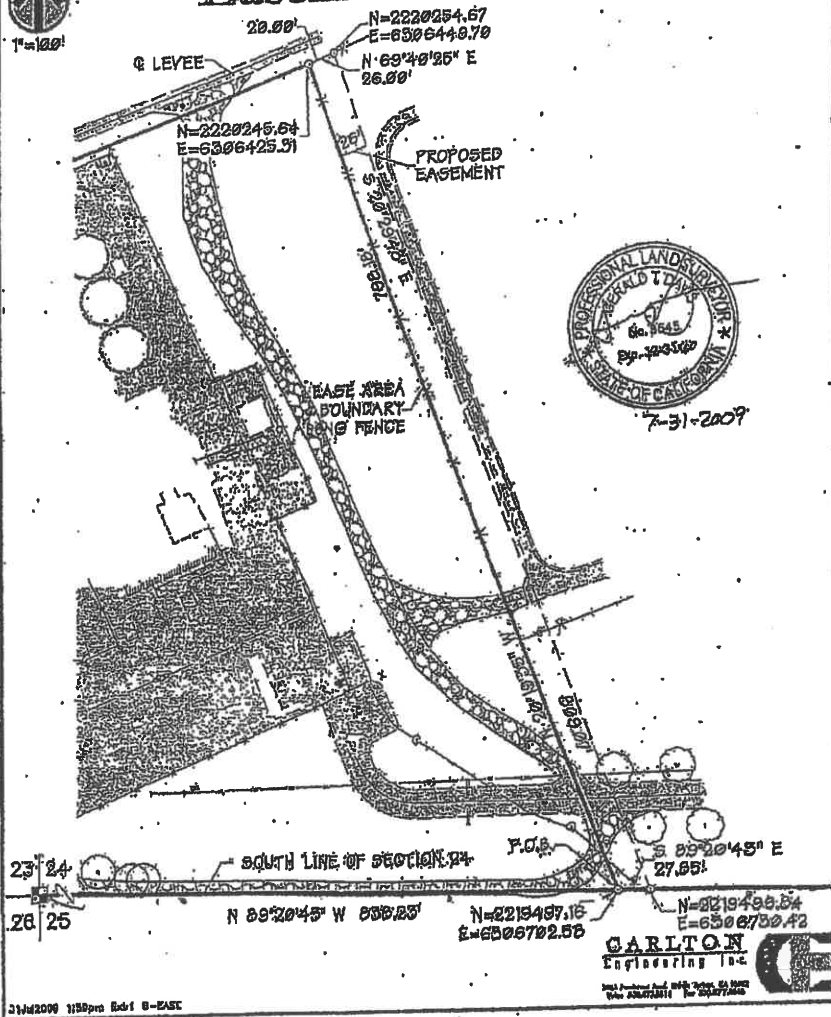
Containing 0.5 Acres (21,889 Sq. Ft.)

This legal description is based on record bearings and distances shown on the Record of Survey filed at Book 32 Page 175 with San Joaquin County Recorder's Office.





Easement Exhibit C



ACKNOWLEDGMENT

State of California
County of San Joaquin

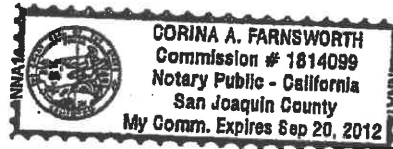
On 5/6/2010 before me, Corina A. Farnsworth, Notary Public
(Insert name and title of the officer)

personally appeared Blair King,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
~~his/her~~ authorized capacity(ies), and that by ~~his/her~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Corina A. Farnsworth (Seal)



STATE OF CALIFORNIA)

) ss

COUNTY OF _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

Exhibit G UTILITIES

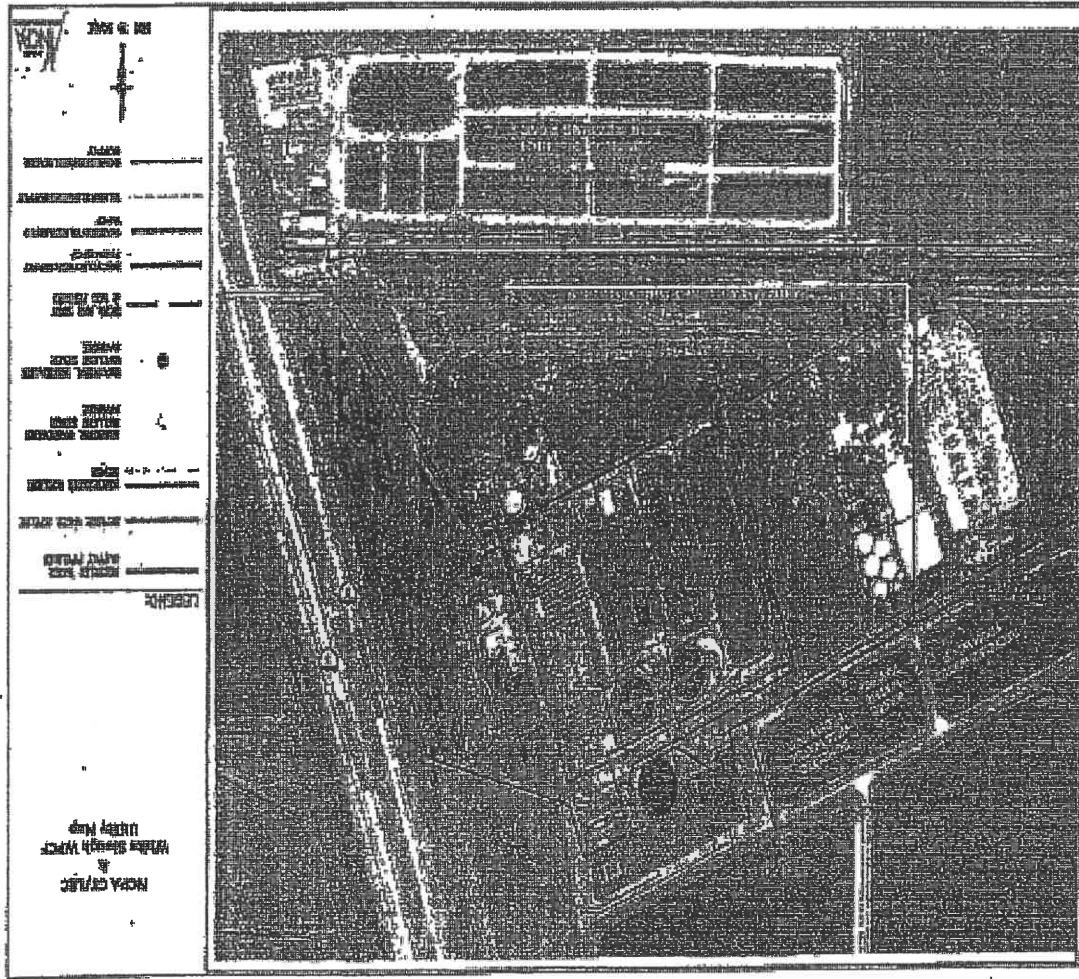


Exhibit H

APPENDIX 2D

Will-Serve Letter from the City of Lodi

CITY COUNCIL

JOHN BECKMAN, Mayor
SUSAN HITCHCOCK
Mayor Pro Tempore
LARRY D. HANSEN
BOB JOHNSON
JOANNE L. MOUNCE

CITY OF LODI
PUBLIC WORKS DEPARTMENT

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6706
FAX (209) 333-6710
EMAIL pwdept@lodi.gov
<http://www.lodi.gov>

November 29, 2005

BLAIR KING

City Manager

SUSAN J. BLACKSTON
City Clerk

D. STEPHEN SCHWABAUER
City Attorney

RICHARD C. PRIMA, JR.
Public Works Director

Randall Blank, Environmental, Health & Safety Manager
Northern California Power Agency
P.O. Box 1478
Lodi, CA 95241

SUBJECT: Site for NCPA Electric Generating Plant at Lodi White Slough Water Pollution Control Facility at 12745 North Thornton Road, Lodi, CA, 95242

The City of Lodi is pleased to confirm availability of the site for a new NCPA Electric Generating Facility adjacent to the existing NCPA STIG Plant located on City property at its White Slough Water Pollution Control Facility. A "Will Serve" letter for water supply is being sent separately. Pursuant to City Council approval on November 16, 2005, the City can provide:

- * Permanent site space for the Plant itself, substation improvements, drying beds and associated access and utility corridors.
- * Temporary easements for construction and staging

The City cannot commit to accepting process return flow, as preliminary indications are that the salinity levels, and possibly temperature, of the City's total wastewater discharge would be raised to unacceptable levels for Delta discharge and possibly even for land disposal. While the City is willing to work with NCPA on possible mitigations that would allow such discharge, perhaps on a temporary basis, the City believes NCPA should plan the Plant for zero discharge. Discharge of domestic sewage from the Plant is permitted. However, potable water supplies are not available at the City's Facility.

Current City policy requires the applicant to fund/construct the improvements necessary to reliably serve your project. In addition, regular service charges for waste treatment, as established by the City, would apply.

While the current lease for the existing STIG Plant contemplates a second, similar-sized generating unit, should modifications of the lease be necessary to accommodate the larger proposed unit, the City will work with NCPA to resolve any issues.

The City of Lodi wishes to fully cooperate with you on this project and trusts that Lodi will be given favorable consideration in project participation allocations. We look forward to working with you on the various details to make this project a success for all.

Sincerely,


Richard C. Prima, Jr.
Public Works Director

RCP/pmf

cc: Blair King, City Manager
David Dockham, Interim Electric Utility Director
Del Kerlin, Assistant Wastewater Treatment Superintendent

J:\WHITE SLOUGH\NCPA-WILL SERVE LETTER.DOC



**FIRST AMENDMENT TO SECOND AMENDED AND RESTATED
GROUND LEASE BY AND BETWEEN THE CITY OF LODI
AND NORTHERN CALIFORNIA POWER AGENCY**

This First Amendment to Second Amended and Restated Ground Lease Dated April 29, 2013 ("First Amendment") is entered into between the City of Lodi, a California municipality ("Lodi" or "Landlord") and Northern California Power Agency ("Agency" or "Tenant"), a public entity, with its main office located at 651 Commerce Drive, Roseville, CA 95678, (collectively the "Parties") as of _____, 2020 ("Effective Date").

RECITALS

- A. WHEREAS, the Parties entered into a Ground Lease dated February 17, 1993; and
- B. WHEREAS, the Parties entered into an Amended and Restated Ground Lease dated March 22, 2010; and
- C. WHEREAS, the Parties entered into the Second Amended and Restated Ground Lease dated April 29, 2013 (the "Second Amended Lease"); and
- D. WHEREAS, the Parties desire to amend the Second Amended Lease by adding additional land (as defined in Section 1.1 below and referenced as the "Annex") to the Leased Premises or Premises as those terms are defined in Section 1.9 of the Second Amended Lease; and
- E. WHEREAS, the Parties desire to increase the annual rent to reflect the Agency's use of the Annex; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Second Amended Lease as follows:

Section 1. DEFINITIONS. The additional terms used and defined below will added to the Second Amended Lease and have the meanings as set forth in this Section 1. All capitalized terms not defined herein have the meanings set forth in the Second Amended Lease.

- 1.1. Annex.** "Annex" is the additional lease area to the west of the Leased Premises or Premises as more fully described in the legal description and depicted in the graphic provided in Exhibit 1, attached hereto and made a part hereof.
- 1.2. Annex Annual Rent.** "Annex Annual Rent" shall be the annual sum provided in Section 2.1 below and paid by Agency to Lodi for the Annex.
- 1.3. Leased Premises or Premises.** "Leased Premises" or "Premises" as defined in Section 1.9 of the Second Amended Lease is increased to include the Annex.

Section 2. LEASE TERMS.

- 2.1 Rent.** On or before July 1 of each year during the Term of this First Amendment, Tenant agrees to pay to Landlord in advance as the Annex Annual Rent the sum of Twenty Thousand Three Hundred Ten Dollars (\$20,310) for the following Lease Year (i.e., each twelve (12) month period during the Term of this Lease, commencing on July 1 and ending on June 30 of the following calendar year). The first year Annex Annual Rent will be prorated from the Effective Date to the end of the twelve (12) month period (i.e., June 30, 2021).
- 2.2 Landlord's Retained Rights.** The Annex contains monitoring wells that belong to the Landlord. The Landlord will continue to own, retain rights of access to and ability to maintain the wells. Landlord's monitoring wells are shown on Exhibit 2 ("Monitoring Wells"), attached hereto and made a part hereof. Landlord hereby retains the right to access the Annex, upon forty eight (48) hours written notice to Tenant (except in the event of emergency), to repair, maintain or remove the Monitoring Wells. Landlord agrees not to interfere with Tenant's activities on the Premises and will expeditiously repair or replace any damage that Landlord causes on the Premises at Landlord's sole expense. The Landlord would consider a request by Tenant to, at its sole expense, relocate Landlord's existing Monitoring Wells that lie within the limits of the Annex and Leased Premises, under the condition Landlord receives written authorization from the Regional Water Quality Control Board for the proposed relocation of the Monitoring Wells. The schedule for any relocation shall be at a time mutually agreed upon by the Parties. Tenant agrees to construct any relocated Monitoring Wells to standards acceptable to Landlord and the Regional Water Quality Control Board.
- 2.3 Term.** Once executed the term of this First Amendment will begin on the Effective Date and shall run coterminous with the Second Amended Lease.
- 2.4 Termination.** Tenant may terminate this First Agreement at any time upon six (6) months advance written notice.

Section 3. COUNTERPARTS. This First Amendment may be executed in counterparts each of which is deemed an original, and all such counterparts constitute one and the same agreement.

Except as otherwise stated in this First Amendment, all other terms and conditions of the Second Amended Lease remain unchanged and applicable to Tenant's lease of the Annex from Landlord.

SIGNATURES ON FOLLOWING PAGE

///

///

The Parties have executed this First Amendment as of the latest date signed by either Party and such date shall become the Effective Date.

LANDLORD:

CITY OF LODI, a Municipal Corporation

Stephen Schwabauer, City Manager

ATTEST:

Jennifer Cusmir, City Clerk

APPROVED AS TO FORM:

Janice D. Magdich, City Attorney

TENANT:

NORTHERN CALIFORNIA POWER
AGENCY

Randy S. Howard, General Manager

ATTEST:

Cary Padgett, Assistant Secretary of the
Commission

APPROVED AS TO FORM:

Jane E. Luckhardt, General Counsel

EXHIBIT 1
ANNEX LEGAL DESCRIPTION

EXHIBIT 1 - PAGE 1

LEGAL DESCRIPTION

LOCATED IN THE CITY OF LODI, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:


BEING A PORTION OF LAND LYING WITHIN THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 23 AND WITHIN THE SOUTH 1/2 OF SECTION 24, TOWNSHIP 3 NORTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 7, PAGE 9, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 23, THENCE ALONG THE SOUTH LINE OF SAID SECTION 23, N89°55'00"W, 557.26 FEET; THENCE LEAVING SAID SECTION LINE, N00°11'05"W, 227.71 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N00°11'05"W, 70.00 FEET; THENCE N67°17'42"E, 546.00 FEET; THENCE S23°27'46"E, 161.00 FEET; THENCE S66°33'04"W, 78.00 FEET; THENCE S23°27'24"E, 136.00 FEET; THENCE N87°37'59"W, 550.62 FEET TO THE POINT OF BEGINNING.

CONTAINING 101,581 SQUARE FEET OR 2.332 ACRES.

SEE EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

PREPARED UNDER MY SUPERVISION:


ARMANDO D. DUPONT,
P.L.S. 778

CAL VADA

SURVEYING, INC.

411 JENKS CIRCLE, SUITE 205, CORONA, CA. 92680-1782

PHONE: 951-280-8980

FAX: 951-280-9746

Job No 20498

www.calvada.com

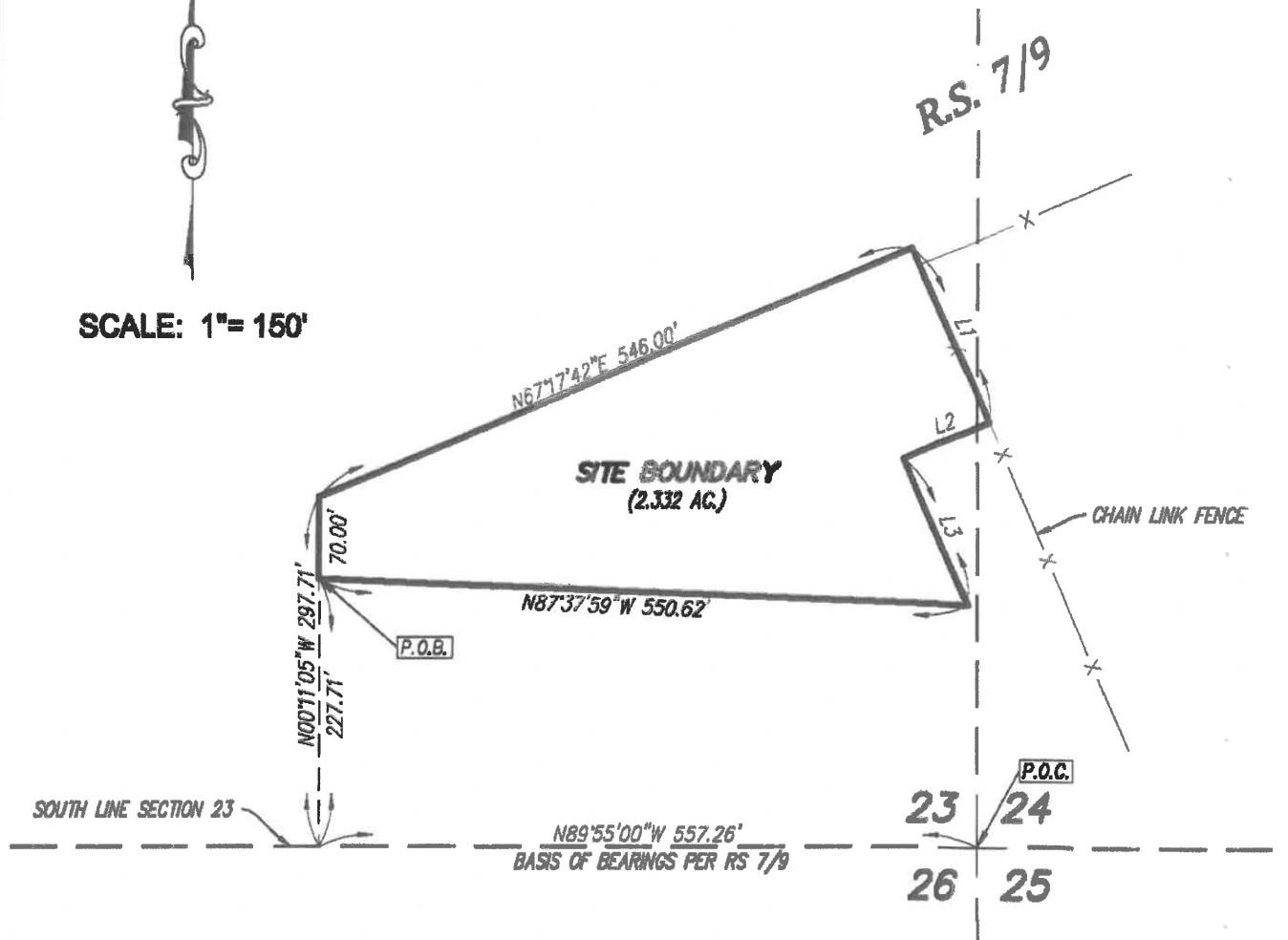
GS-AGY-2013-001

EXHIBIT 1 - PAGE 2

PLAT TO ACCOMPANY LEGAL DESCRIPTION



SCALE: 1" = 150'



PREPARED UNDER MY SUPERVISION:



ARMANDO D. DUPONT,
P.L.S. 778

CAL VADA

SURVEYING, INC.

411 JENKS CIRCLE, SUITE 205, CORONA, CA. 92680-1782

PHONE: 951-280-9960

FAX: 951-280-9746

Job No 20488

www.calvada.com

GS-AGY-2013-001

EXHIBIT 2
MONITORING WELLS

EXHIBIT 2



Date
2/26/2020

Figure 2
Storage Area
2.32 Acres



24

Commission Staff Report

Date: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: LEC Annex Land Improvement Project; Applicable to the following projects:
Northern California Power Agency (NCPA) CT2 and LEC Facilities

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>JA</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

IMPACTED MEMBERS:		
All Members <input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input checked="" type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>	City of Ukiah <input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit <input checked="" type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input checked="" type="checkbox"/>
City of Biggs <input checked="" type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input checked="" type="checkbox"/>	City of Roseville <input checked="" type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input checked="" type="checkbox"/>	City of Santa Clara <input checked="" type="checkbox"/>	Other <input checked="" type="checkbox"/>
<i>If other, please specify</i>		Azusa, CDWR,
		Modesto, PWRPA

RECOMMENDATION:

Approve Resolution 20-76 delegating authority for the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA Procurement Policies and Procedures, without further approval by the Commission for the LEC Annex Land Improvement Project, for a total not to exceed project amount of \$300,000, including approval for this project to be funded from the LEC Maintenance Reserve.

BACKGROUND:

The original Ground Lease was dated February 17, 1993 and effective January 1, 1993. An Amended and Restated Ground Lease was entered into on March 22, 2010. On April 29, 2013 the parties entered into a Second Amended and Restated Ground Lease.

LEC has been operating with a shared facilities warehouse between CT1, CT2 and LEC. Space has been tight for both parts storage and lay down space. As experienced during the LEC forced outage, when significant work is performed, there is not enough space onsite for laydown. Parts were stored outside the fence. In addition, LEC is preparing for the major on the steam turbine and generators, and in doing so, there will be a significant addition to the parts on hand. LEC has found that Sea Vans are effective and inexpensive for storage. In order to obtain extra space, NCPA negotiated with the City of Lodi to annex 2.3 acres of additional space and amend the existing lease agreement.

In order to use the land, NCPA will need to make some minor improvements. It will be leveled with a new base material installed for a firm surface that will be usable in the rainy season. It will also include fencing to secure the area. In addition, lights, and security will be incorporated.

FISCAL IMPACT:

The land improvements will cost \$300,000. Because of the change of scope of work in the LEC major overhaul scheduled for 2022, funds are available in the Maintenance Reserve to pay for these costs. Balances and projections for Maintenance Reserve are in the tables below.

Balances

Maintenance Reserve Balance (8/31)	\$3,890,944
Remaining FY21 Contributions	\$1,531,943
Spare Parts Purchase	(\$2,500,000)
Land Improvements	(\$300,000)
Other Planned work	(\$1,095,000)
End of FY21 Balance	\$1,527,887

5-Year Maintenance Reserve Projections

	FY21	FY22	FY23	FY24	FY25
Project Spending	\$3,895,000	\$2,845,000	\$1,765,000	\$1,785,000	\$1,660,000
Annual Contribution	\$1,838,332	\$1,875,102	\$1,912,754	\$1,951,310	\$1,998,142
End of FY Balance	\$1,527,887	\$557,988	\$705,743	\$872,053	\$1,210,194

SELECTION PROCESS:

Not Applicable.

ENVIRONMENTAL ANALYSIS:

The California Energy Commission (CEC) is the Lead Agency for CEQA review for LEC and related projects. The project was reviewed and approved by the CEC and the San Joaquin Council of Governments. Biological monitoring will be performed prior to and during land disturbance activities.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 12, 2020, and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution

RESOLUTION 20-76

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING THE LODI ENERGY CENTER ANNEX LAND IMPROVEMENT PROJECT**

(reference Staff Report #210:20)

WHEREAS, the Northern California Power Agency (NCPA) leases land from the City of Lodi at the CT2 and LEC facilities; and

WHEREAS, the original Ground Lease was effective January 1, 1993; and

WHEREAS, an Amended and Restated Ground Lease was entered into on March 22, 2010; and

WHEREAS, on April 29, 2013 the parties entered into a Second Amended and Restated Ground Lease; and

WHEREAS, NCPA will be leasing additional land from the City of Lodi for additional parts storage; and

WHEREAS, in order to use the land, NCPA will need to make some minor improvements. It will be leveled with a new base material installed for a firm surface that will be usable in the rainy season. It will also include fencing to secure the area. Lights and security will be incorporated; and

WHEREAS, the California Energy Commission (CEC) is the Lead Agency for CEQA review for LEC and related projects. The project was reviewed and approved by the CEC and the San Joaquin Council of Governments. Biological monitoring will be performed prior to and during land disturbance activities; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency delegates authority for the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA Procurement Policies and Procedures, without further approval by the Commission for the LEC Annex Land Improvement Project, for a total not to exceed project amount of \$300,000, including approval for this project to be funded from the LEC Maintenance Reserve.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



Commission Staff Report

Date: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Lodi Energy Center 2022 Major Parts Purchase; Applicable to the following projects: Northern California Power Agency (NCPA) Lodi Energy Center (LEC) Facility

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>JL</i> Assistant General Manager	METHOD OF SELECTION: N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

IMPACTED MEMBERS:		
All Members <input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>	City of Ukiah <input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit <input checked="" type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input checked="" type="checkbox"/>
City of Biggs <input checked="" type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input checked="" type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input checked="" type="checkbox"/>	City of Santa Clara <input checked="" type="checkbox"/>	Other <input checked="" type="checkbox"/>
<i>If other, please specify</i>		Azusa, CDWR, Modesto
		PWRPA

RECOMMENDATION:

Approve Resolution 20-77 authorizing the LEC 2022 Major Parts Purchase as per the Long Term (LTP) agreement between NCPA and Siemens, and delegate authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the parts in accordance with NCPA purchasing policies and procedures, without further approval by the Commission, for a total cost not to exceed \$2,500,000, and approval for these funds to come from the LEC Maintenance Reserve.

BACKGROUND:

The Lodi Energy Center has planned a major overhaul scheduled for 2022. During the outage, the LEC team will complete major maintenance work on equipment based on OEM recommendations for hours or starts that cannot be accomplished while operating the facility. NCPA will hire Siemens as per the Long Term Program (LTP) agreement to perform the work during the 2022 major outage.

Listed below are highlights of major work that will need parts for the LEC 2022 outage:

1. Steam Turbine
 - a. Disassembly and full inspection of Steam Turbine and inspection of internal components
 - b. Rotor Inspections
 - c. Overhaul steam control valves and Lube oil tank internal inspection
2. Steam Turbine Generator
 - a. Disassembly of Generator and full Electrical Testing and Maintenance
 - b. Rotor Inspections
 - c. Bearing refurbishment and cooler inspections
3. Combustion Turbine
 - a. Valve Maintenance (bleed valves, gas valves)
 - b. Auxiliary equipment inspections (kettle boilers, DAIS compressor)
4. CT Generator
 - a. Generator Electrical Testing and Maintenance
 - b. Rotor Inspections
 - c. Bearing refurbishment and cooler inspections

FISCAL IMPACT:

The funds to complete the 2022 Major Parts Purchase in the amount of \$2,500,000 have been collected as part of the LEC Maintenance Reserve.

Maintenance Reserve Balance (8/31)	\$ 3,890,944
Remaining FY21 Contributions	\$ 1,531,943
Spare Parts Purchase	(\$ 2,500,000)
Land Improvements	(\$ 300,000)
Other Planned Work	(\$ 1,095,000)
End of FY21 Balance	\$ 1,527,887

5-Year Maintenance Reserve Projections

	FY21	FY22	FY23	FY24	FY25
Project Spending	\$ 3,895,000	\$ 2,845,000	\$ 1,765,000	\$ 1,785,000	\$ 1,660,000
Annual Contribution	\$ 1,838,332	\$ 1,875,102	\$ 1,912,754	\$ 1,951,310	\$ 1,998,142
End of FY Balance	\$ 1,527,887	\$ 557,988	\$ 705,743	\$ 872,053	\$ 1,210,194

SELECTION PROCESS:

Siemens will be conducting the work as per the LTP agreement with NCPA. All of the parts are being ordered through Siemens, as Siemens is the OEM for LEC Gas Turbine and Steam Turbine.

ENVIRONMENTAL ANALYSIS:

These activities are categorically exempt under Class 1 and 2 from the provisions of the California Environmental Quality Act pursuant to Section 15301 (b) and 15302 (c) of the CEQA Guidelines. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013 for this class of work and was filed in San Joaquin County.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 12, 2020, and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution

RESOLUTION 20-77

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE LODI ENERGY CENTER 2022 MAJOR PARTS PURCHASE

(reference Staff Report #211:20)

WHEREAS, the Northern California Power Agency (NCPA) Lodi Energy Center (LEC) has a planned major overhaul scheduled for 2022; and

WHEREAS, during the outage the LEC team will complete major maintenance work on equipment based on OEM recommendations for hours or starts; and

WHEREAS, all parts will be purchased through Siemens as Siemens is the OEM for the LEC Gas Turbine and Steam Turbine, and will be conducting the work under the LTP Agreement; and

WHEREAS, the funds to complete the 2022 Major Parts Purchase in the amount of \$2,500,000 have been collected as part of the LEC Maintenance Reserve; and

WHEREAS, these activities are categorically exempt under Class 1 and 2 from the provisions of the California Environmental Quality Act pursuant to Section 15301 (b) and 15302 (c) of the CEQA Guidelines. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013 for this class of work and was filed in San Joaquin County; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the LEC 2022 Major Parts Purchase as per the Long Term (LTP) agreement between NCPA and Siemens, and delegate authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the parts in accordance with NCPA Purchasing Policies and Procedures without further approval by the Commission, for a total cost not to exceed \$2,500,000, and approval for these funds to come from the LEC Maintenance Reserve.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



Commission Staff Report

DATE: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: National Oceanic and Atmospheric Administration (NOAA) - License Agreement; Applicable to the following projects: NCPA Geothermal Facility.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma <i>9/8/2020</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Geothermal	

IMPACTED MEMBERS:

All Members <input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input checked="" type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>	City of Ukiah <input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input checked="" type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input checked="" type="checkbox"/>	City of Roseville <input checked="" type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input checked="" type="checkbox"/>	City of Santa Clara <input checked="" type="checkbox"/>	Other <input checked="" type="checkbox"/>

If other, please specify

Turlock

RECOMMENDATION:

Approve Resolution 20-78 authorizing the General Manager or his designee to enter into a License Agreement with the National Oceanic and Atmospheric Administration (NOAA), for a term of ten years, allowing them to install, operate, and maintain a weather monitoring station at the NCPA Geothermal Facility.

BACKGROUND:

NCPA entered into a License Agreement with the National Oceanic and Atmospheric Administration (NOAA) on December 8, 2014. This License Agreement allowed NOAA to place a weather monitoring station on the J-Site well pad of the NCPA Geothermal Facility. Aside from providing a 20 amp, 120 V circuit to power the unit, NCPA incurred no cost, was not responsible for maintaining the equipment, and was not liable for any damages to the weather station. NCPA entered into this agreement solely as a courtesy to NOAA and its effort to gather weather data.

The original agreement expired in December 8, 2019. NOAA would like to establish a new license agreement. The new agreement has the same terms and conditions as the original one, but the term of the agreement is being updated to ten years (the previous agreement had a term of five years).

FISCAL IMPACT:

NCPA incurs negligible costs associated with this agreement, therefore, there is no fiscal impact to NCPA.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- License Agreement with National Oceanic and Atmospheric Administration (NOAA)

RESOLUTION 20-78

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A LICENSE AGREEMENT WITH THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)

(reference Staff Report #212:20)

WHEREAS, the National Oceanic and Atmospheric Administration (NOAA) and NCPA signed a License Agreement dated December 8, 2014 to place a weather station at NCPA's Geothermal Facility for the purposes of gathering weather data; and

WHEREAS, the original License Agreement expired on December 8, 2019; and

WHEREAS, both parties desire to enter into a new License Agreement, with the same terms and conditions as the original agreement, for a term of ten years; and

WHEREAS, NCPA incurs negligible costs, is not responsible for maintaining the equipment, and is not liable for any damages to the weather station; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the NCPA General Manager or his designee to enter into a new License Agreement with the National Oceanic and Atmospheric Administration (NOAA), for a term of ten years, allowing them to install, operate, and maintain a weather monitoring station at the NCPA Geothermal Facility.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

LICENSE AGREEMENT # 20WSR0216N
BETWEEN THE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
OFFICE OF AMOSPHERIC RESEARCH
AND
NORTHERN CALIFORNIA POWER AGENCY

This License Agreement is entered into by the Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), Office of Atmospheric Research (OAR) (LICENSEE), and The Northern California Power Agency (NCPA or LICENSOR) under the Authority of 40 U.S.C. 585. The purpose of this Agreement is to allow LICENSEE to have the right of access to and use of certain real property leased by the LICENSOR, for the purpose of installing, operating, and maintaining an observing platform consisting of an S-band radar system and a 30' meteorological tower. The S-Band radar system trailer requires approximately 225 square feet of ground space, and the 30' meteorological tower requires approximately 300 square feet of ground space within an equilateral triangle of approximately 27 foot long sides. The property affected is the Geothermal Facility, located at 12000 Socrates Mine Road, Middletown, CA 95461, Latitude 38° 44' 44.27" and Longitude 122° 42' 40.32" (referred to below as "the premises").

By their signatures below, the authorized representatives of LICENSEE and the LICENSOR agree to the following terms and conditions:

1. Employees of and contractors for NOAA, including but not limited to NOAA contractors and their subcontractors ("NOAA Parties"), will be allowed access to NOAA equipment on the Premises upon prior oral or written approval of NCPA. The NOAA Parties will, to the best of their ability, request and pre-arrange access to the Premises, and NCPA will reasonably grant such access without charge, understanding that access to the Premises will be required periodically by maintenance personnel, and occasionally by a survey team. All personnel granted access will participate in the appropriate NCPA Safety training and will follow all appropriate NCPA policies and procedures, including but not limited to NCPA site safety procedures.
2. By virtue of the right of access to and use of the premises, LICENSEE shall be entitled to install, operate, and maintain the Precipitation Monitoring System (in a mutually agreeable location), and utility and telecommunication lines from the premises. Utilities and telecommunications will be paid for by the LICENSEE through separate contracts.
3. This Agreement shall not be construed to require the LICENSOR to furnish to LICENSEE any more than access to and use of the premises.
4. Upon termination of this Agreement, LICENSEE shall remove any instruments or hardware it has placed on the premises. Any costs for removal pursuant to this paragraph shall be borne by LICENSEE. Alternatively, the LICENSEE and the LICENSOR may

LICENSE AGREEMENT # 20WSR0216N
BETWEEN THE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
OFFICE OF AMOSPHERIC RESEARCH
AND
NORTHERN CALIFORNIA POWER AGENCY

agree that title to all the improvements on said premises shall become the property of the LICENSOR, in full satisfaction of any obligation to restore the property recited elsewhere in this agreement.

5. NOAA agrees to promptly consider and adjudicate any and all claims which may arise out of use of the LICENSOR'S premises by NOAA or duly authorized representatives or contractors of NOAA and to pay for any damage or injury as may be required by Federal law. Such adjudication will be pursued under the Federal Tort Claims Act, 28 U.S.C. 2671 et seq. or other such legal authority as may be pertinent. NOAA also agrees to consider and adjudicate any claims for damage or injury sustained by NOAA personnel in the performance of their official duties while on the LICENSOR'S premises. Such adjudication will be made pursuant to the Federal Employees' Compensation Act, 5 U.S.C. 8101 et seq., or other such legal authority as may be pertinent. NOAA shall cause its contractors to maintain, during the performance of any work under the terms of this Agreement, insurances with limits of liability not less than those stated in the Federal Acquisition Regulation (FAR) 28.307-2.
6. NOAA understands and agrees that NCPA disclaims any responsibility for maintaining a security system or security personnel at the Premises. NOAA's equipment will occupy the Premises entirely at the risk of NOAA. NCPA does not take any responsibility for any NOAA equipment pursuant to this Agreement, no matter of the cause of any loss, theft or damage. Further, NOAA will not be due any compensation from NCPA as the result of any loss, theft or damage of NOAA's equipment or loss of data during this Agreement, except such loss or damage which was caused by the sole or gross negligence, recklessness, or willful misconduct of NCPA.
7. LICENSEE agrees not to sell, convey, transfer mortgage, pledge, assign, or otherwise encumber this Agreement, in whole or in part, nor any of LICENSEE's rights, interests, or privileges, hereunder.
8. Use of the premises by LICENSEE shall not be in support of any policy which discriminates against any person on the basis of race, sex, religion, or national origin.
9. This Agreement shall take effect upon signature by both parties, and shall remain in effect for a period of 10 years from the date of the last signature, provided that the parties may

LICENSE AGREEMENT # 20WSR0216N
BETWEEN THE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
OFFICE OF AMOSPHERIC RESEARCH
AND
NORTHERN CALIFORNIA POWER AGENCY

terminate the Agreement either by mutual written agreement or upon sixty days' written notice by either party to the other.

10. The Points of Contact (POC) for this Agreement are:

A. Name of LICENSEE POC: Thomas Ayers

Email: Thomas.ayers@noaa.gov

Address: NOAA/OAR/PSD
325 Broadway, R/PSD
Boulder, CO 80305-3328

Telephone Number: (303) 497-6012

B. Name of NOAA Real Property POC: Lori Torres

Email: Lori.L.Torres@noaa.gov

Address: NOAA/OCAO/RPMD Western Region
7600 Sand Point Way NE, Bld. 1
Seattle, WA 98115-6349

Telephone Number: (206) 526-6381

C. Name of LICENSOR POC: _____

Email: _____

Address: _____

Telephone Number: _____

LICENSE AGREEMENT # 20WSR0216N
BETWEEN THE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
OFFICE OF AMOSPHERIC RESEARCH
AND
NORTHERN CALIFORNIA POWER AGENCY

FOR THE NATIONAL OCEANIC &
ATMOSPHERIC ADMINISTRATION:

FOR THE NORTHERN CALIFORNIA
POWER AGENCY:

THOMAS AYERS, Electronic Engineer
Office of Atmospheric Research, ESRL, PSD

RANDY S. HOWARD, General Manager

DATE

DATE

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel



Commission Staff Report

Date: October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Geothermal Plant 1 HVAC System Project Request for Additional Funds;
Applicable to the following projects: NCPA Geothermal Facility.

AGENDA CATEGORY: Discussion/Action

FROM:	Joel Ledesma <i>J.L.</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Geothermal	

IMPACTED MEMBERS:		
All Members <input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input checked="" type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>	City of Ukiah <input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input checked="" type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input checked="" type="checkbox"/>	City of Roseville <input checked="" type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input checked="" type="checkbox"/>	City of Santa Clara <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
<i>If other, please specify</i>		
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RECOMMENDATION:

Approve Amendment to Resolution 20-08 for the Geothermal Plant 1 HVAC System Project, delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project, without further approval by the Commission, for an updated total not to exceed project cost of \$1,500,000, and authorizing the use of up to \$606,183 from the Maintenance Reserve.

BACKGROUND:

The original HVAC system installed at the Geothermal Plant 1 has outlived its useful life and has many components in need of replacement and upgrade. The HVAC system is a critical system to the Plant as it conditions the space for employees, filters hazardous H₂S gas, reduces thermal degradation of important electrical systems and their insulation, and removes excessive waste heat to keep indoor transformers operating efficiently. To evaluate and upgrade the existing HVAC system, Costa Engineers completed a total upgrade design and engineering package. This package included replacement of major equipment utilized in the HVAC system.

The Geothermal Plant 1 HVAC System Project was approved in FY17 Budget for \$1M. As a result of other higher priority projects such as Unit Overhauls, Stretford Sulfur Processing Platform, Well Workover Program, and Wildfire Mitigation Projects and respective fires, Tubbs Fire in 2017 and Kincade Fire in 2019, the project was deferred several times encumbering the funds respectively. Some funds were expended on some engineering and design upfront work to determine the scope.

The Geothermal Plant 1 HVAC System Project was originally approved in the January 16, 2020 Commission Meeting (SR: 109:20; Res.: 20-08), with a budget of not to exceed \$893,817. After soliciting bids as a Public Works project, in which no bids were received, a Formal Competitive Bid process was followed and three responsive bids were received. The lowest qualifying bid received was from Famand, Inc. dba SitelogiQ, for a total bid amount of \$1,266,506.

Project funds will come from a combination of FY2021 Encumbered funds (\$893,817) and Maintenance Reserve (\$606,183). This will result in asking for an additional Maintenance Reserve collection in FY22 Budget of \$606,183. The expected Maintenance Reserve FY22 Budget will include \$2,630,000 plus \$606,183.

FISCAL IMPACT:

Total cost of the Plant 1 HVAC System Project is not to exceed \$1,500,000. This project was partially funded in FY2021. Additional funds will be needed to complete the project, which staff is proposing will come from FY2022 budget. Below is a breakdown of the project costs:

• Contractor's Proposed Project Cost	= \$1,266,506
• 15% Contingency	= \$ 189,976
• CEC Reviews and Inspections	= \$ 43,518
Not to Exceed Project Authorization	= \$1,500,000

The project will be funded through the following sources:

- Encumbered to FY2021 = \$893,817
- Maintenance Reserve = \$606,183

Maintenance Reserve Status

- **Balance as of 9/30/2020** = **\$928,555**
- Balance as of 5/30/2021 = \$2,261,889
- Less Fire Mod (Reso:20-62) and HVAC (Proposed) = \$1,606,183
- **Balance as of 6/30/2021** = **\$558,555**

SELECTION PROCESS:

In February 2020, NCPA released a Public Works Notice Inviting Bids. NCPA had five vendors attend one of two possible bid walks. Upon close of bid, no bids were received for the project.

In accordance with NCPA's procurement policies and procedures, a formal competitive bid process was followed. On July 14, 2020, a Request for Proposal was released with final bids due on August 21, 2020. NCPA received three responsive bids from Famand, Inc. dba SitelogiQ, ACCO Engineered Systems, and Bell Products, Inc., Famand, Inc. dba SitelogiQ was determined to be the lowest qualified bidder.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 7, 2020, and was recommended for Commission approval on Consent Calendar.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution

AMEND RESOLUTION 20-08

**AMEND RESOLUTION 20-08 OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A REQUEST FOR ADDITIONAL FUNDS FOR THE GEOTHERMAL PLANT 1 HVAC
SYSTEM PROJECT**

(reference Staff Report #109:20 and 213:20)

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains on behalf of the project owners a Geothermal Facility near Middletown, CA, consisting of two power plants; and

WHEREAS, the Geothermal Plant 1 HVAC System Project was approved in the January 16, 2020 Commission Meeting (SR: 109:20; Res.: 20-08), with a budget not to exceed \$893,817; and

WHEREAS, in February 2020, NCPA released a Public Works Notice Inviting Bids. NCPA had five vendors attend the mandatory bid walk, however no proposals were submitted. On July 14, 2020, a Request for Proposal was released, with final bids due on August 21, 2020. NCPA received bids from ACCO Engineered Systems, Famand, Inc. dba SitelogiQ, and Bell Products, Inc. Famand, Inc. dba SitelogiQ was determined to have the lowest qualified bid of \$1,266,506; and

WHEREAS, based on the lowest bid received for the total Scope of the project, considering a 15 percent contingency, and Delegated Chief Building Official (DCBO) oversight costs from the California Energy Commission (CEC), the new not to exceed amount to complete the project is \$1,500,000; and

WHEREAS, NCPA seeks approval to increase the original not to exceed project authorization amount from \$893,817 to \$1,500,000, these funds will come from a combination of FY2021 Encumbered funds (\$893,817) and Maintenance Reserve (\$606,183). This will result in asking for an additional Maintenance Reserve collection in FY22 Budget of \$606,183. The expected Maintenance Reserve FY22 Budget will include \$2,630,000 plus \$606,183; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency approves the Geothermal Plant 1 HVAC System Project, delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project, without further approval by the Commission, for an updated total not to exceed project cost of \$1,500,000, and authorize the use of up to \$606,183 from the Maintenance Reserve.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2020 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

TERESA O'NEILL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY




Commission Staff Report

October 21, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Overview of Budget Process and Approach – Request for Guidance of FY2021/22 NCPA Operating Budget Directions

AGENDA CATEGORY: Discussion/Action

FROM:	Monty Hanks 	METHOD OF SELECTION:
	Assistant General Manager/CFO	N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
San Francisco Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	Other <input type="checkbox"/>
<p><i>If other, please specify</i></p> <p>_____</p> <p>_____</p>		

RECOMMENDATION:

Staff recommends the Commission provide guidance and direct staff to prepare the FY2021/22 Operating Budget in accordance with the accepted directions.

BACKGROUND:

As part of the budget process, staff is seeking Commission guidance of budget directions prior to budget preparation for the next fiscal year (FY2021/22). Staff discussed the budget review process and specific budget directions/targets with the Facilities Committee and Utility Directors at their meetings on October 7th and 15th, respectively. No changes were suggested by the Utility Directors.

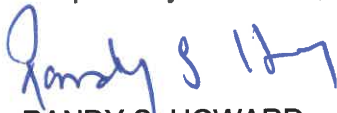
FISCAL IMPACT:

Direction provided in this presentation will provide budget guidance for FY2021/22. Specific fiscal impact is not known at this time. Actual fiscal impact will be presented at the time of final approval of the FY2021/22 Operating Budget, currently scheduled for April 2021.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments:

Budget Directions FY2022 Presentation



Operating Budget for FY22

Proposed Process and Recommendations

Monty Hanks
October 2020

Strategic Plan 2016-2021

■ Mission

- To provide our members cost effective wholesale power, energy-related services, and advocacy on behalf of public power consumers through joint action.

■ Vision

- To be the premier provider of energy services to

■ Strategies

- Attract, develop and retain professional resources
- Maintain position as credible legislative and regulatory resource
- Develop and maintain a resource portfolio in accordance with renewable portfolio standard and California's clean energy goals
- Protect, utilize and enhance member strengths and unique aspects of JPA structure to benefit NCPA's members.
- Develop/maintain strategies to control costs and minimize risks while maximizing the value of assets.
- Grow new revenue and/or reduce member costs by exploring new members/participants and expansion of current services.
- Help articulate and promote the value of NCPA and public power utilities to member communities.

Currently being updated

Proposed Budget Process

- Continued approach to review draft budgets through Facilities, LEC and L&R Committees, UD Meetings, etc.
- Budget is prepared on a project/program basis
- Allocation for all allocated costs (Power Management, L&R, Judicial Action, Administrative & General and direct allocations) will use previously approved methods – no changes proposed at this time but will be reviewed internally
- Continued focus on NCPA controllable costs and aligning budgets with expectations and previous actuals

Issues Impacting FY2021/22 Budget

- Union contracts (IBEW & HEA)
 - Both end effective 12/18/2021
 - Any adjustments will have ½ year impact
- PERS Pension – increase of \$375k or 4%
 - Normal cost remains relatively flat from prior year; but
 - Unfunded Liability Contribution is still in the ramping phase
- OPEB
 - Contribution should be relatively flat
 - May use trust to fund retiree expenses or redirect to pension
- CPI Index as of August 2020 was 1.3%
 - Used as a baseline for increases to routine expenses

IBEW Wage Adj / COLAs

Contract Ends

1/1/2021 7/1/2021 1/1/2022 1/1/2023 1/1/2024 1/1/2025

NCPA	12/18/2021	2.7%	??	??	??	??
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Healdsburg	6/30/2020					
Lompoc	6/30/2021					
Ukiah	9/18/2021	3%				
SVP	12/18/2021	5%				
Lodi	12/31/2021	3%				
Roseville	4/30/2022	*Based on Comp Study				
Redding	5/16/2022		4%			
Alameda	6/30/2022	2%		1%+*		
Gridley	6/30/2022		2%			
Port	6/30/2022	3%				
Plumas	6/30/2022		2.5%			
Truckee	12/31/2024	2-5%		2-5%	2-5%	2-??%
SMUD	12/31/2021	3.25%				
TID	12/31/2021	3%				
MID	12/31/2022	3%		3%		
PG&E	12/31/2025	3%		3.75%	3.75%	3.75%

Issues Impacting FY2021/22 Budget

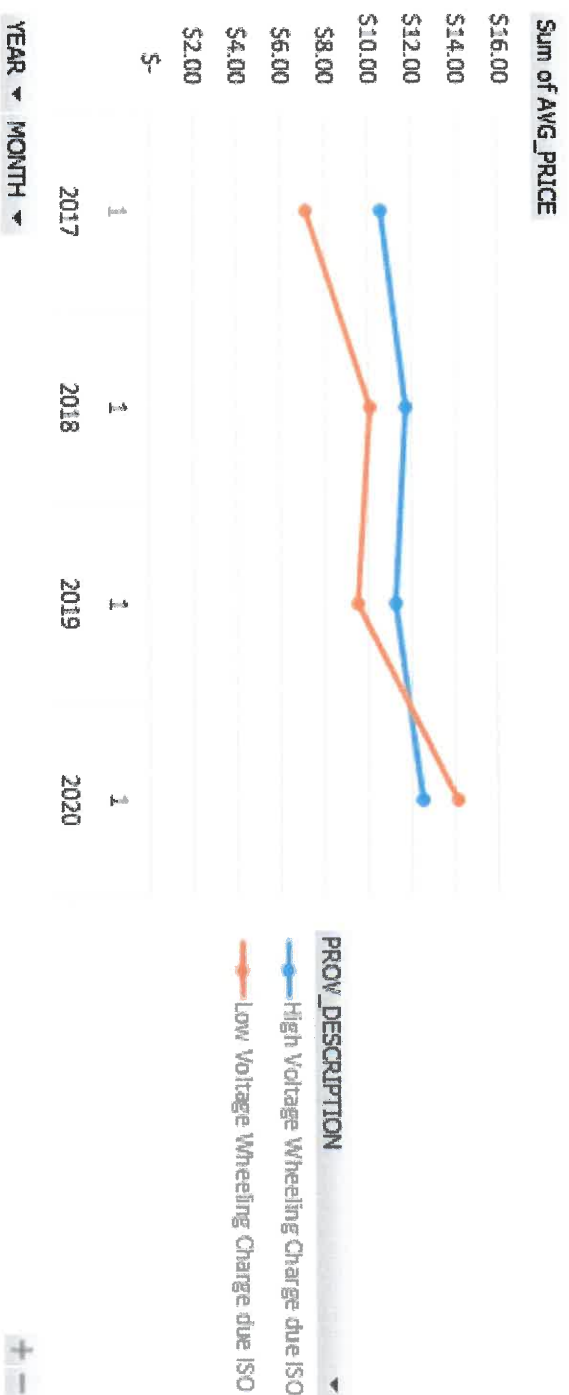
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 - Contribution should be relatively flat
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- CPI Index as of August 2020 was 1.3%
 - Used as a baseline for increases to routine expenses

Issues Impacting FY2021/22 Budget

- Capital & Maintenance of Assets
 - Align with preventive maintenance schedules
 - Replenishment of Reserves
 - Hydro – Use of reserves for Transmission Fire Hardening project (\$3.25m) plus increased funding for McKays Cleanout
 - Geo – Use of reserves for Fire Mod project (\$1m), reduction of FY21 contribution (\$630k), annual contribution is generally \$2.63m
- Wildfire Mitigation
 - Increased efforts to minimize risks and compliance with audit recommendations

Issues Impacting FY2021/22 Budget

- Transmission Wheeling Access Charges



- Insurance Premiums

- Property – 25% increase but may be higher due to recent losses
- Casualty – 30% increase and WF coverage is still an unknown

Budget Recommendations for 2021/22

- Plant costs
 - Debt service as scheduled plus trustee & administrative costs
 - Fuel as required for estimated plant operations
 - Regular operating & maintenance – target **1.3%** increase
 - Maintenance/capital projects – reviewed with project participants (Facilities Committee & LEC Participants)
- Transmission Costs
 - Based on the published rate (estimated during budget prep)
- CAISO Energy Load Costs
 - Forecasted Load x Dlap Price (based on forward curve)

Budget Recommendations for 2021/22

- **Pass-throughs**
 - Based on information from outside entities
 - Membership dues, subscriptions, transmission services, WREGIS, and other member services projects, etc.
- **Legal**
 - Judicial action and all other legal expenses should be lower than previous years
- **Capital Outlay**
 - Capital projects for plants and HQ & IS to be specifically reviewed/vetted by Facilities Committee & LEC Participants

Budget Recommendations for 2021/22

■ Salaries

- Target range \$600k - \$1m increase to include:
 - Negotiated contracts for unions [unknown at this time]
 - Broad banding adjustments for merits, promotions, upgrades, etc.
 - Not anticipating new position requests
- ### ■ All other operating expenses
- Target no more than **1.3%** increase from previous year base budget continuing to refine by aligning closer to actuals



NORTHERN CALIFORNIA POWER AGENCY

Budget Recommendations for 2021/22

Questions?



Agenda Item: 29

Commission Staff Report

October 22, 2020

COMMISSION MEETING DATE: October 29, 2020

SUBJECT: Overview of FY 2020 Annual Billing Settlements Review Process

AGENDA CATEGORY: Informational

FROM:	Monty Hanks	METHOD OF SELECTION:
	Assistant General Manager / CFO	N/A
Division:	Administrative Services	<i>If other, please describe:</i>
Department:	Accounting & Finance	

Staff will provide an overview and presentation at the meeting.