



651 Commerce Drive
Roseville, CA 95678

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

Minutes - Draft

To: NCPA Commission
From: Cary A. Padgett, Assistant Secretary to the Commission
Subject: December 1, 2016, NCPA Commission Meeting

Item #1 – Call Meeting to Order and Introductions

Chair Bob Lingl called the meeting to order at 9:40 am at NCPA's Roseville Office, 651 Commerce Drive, Roseville, California. A quorum was present. Introductions were made. Those in attendance are shown on the attached attendance list.

Item #2 – Approve Minutes of the October 27, 2016, Regular Commission Meeting

Motion: A motion was made by Carol Garcia and seconded by Roger Frith to approve the Minutes of the October 27, 2016, Regular Commission Meeting. The motion carried unanimously on a roll call vote of those members present.

PUBLIC FORUM

Chair Lingl asked if any members of the public were present who would like to address the Commission on the agenda items. No members of the public were present.

REPORTS AND COMMITTEE UPDATES

Item #3 – General Manager's Business Progress Report and Update

- Provided an update on NCPA's facilities: Geothermal is running well. Hydro at 200 percent of normal. The Lodi Energy Center (LEC) is not at the normal level of dispatch for this time of year. Market taking a greater portion of the load. Power Management staff is looking at other ways to provide load for the LEC plant.
- NCPA staff participated in an Open House at Sacramento State University for the Engineering Department.
- Completed the NCPA Leadership Training Program. Graduates will present their projects on the last day of the Strategic Issues Conference in January. Overall, received positive feedback from the participants.
- Provided a one-page dashboard of the Support Services Agreements available to NCPA and SCPPA members.

- Donna Stevener, NCPA's Assistant General Manager and CFO, is retiring on December 16th from NCPA, but has accepted a position with LADWP.
- NCPA Strategic Issues Conference "Save the Date" cards were mailed to members this past week.
- Provided a handout on the EV Working Group Workshop.

Item #4 – Executive Committee

Committee Chair Bob Lingl mentioned the Committee met that morning and reviewed and discussed the status report on the Support Services Program Agreement, the 2017 NCPA Committee meetings calendar, the in-house General Counsel job classification, and met under a closed session item. No reportable action was taken on the closed session item.

Item #5 – Facilities Committee

Assistant General Manager Dave Dockham reported the Committee met twice since the last Commission meeting. The Committee discussed Items 18, 19 and 22 on today's Agenda. The Committee also appointed Mike Brozo as Chair and Melissa Price as Vice Chair. A quorum of the Committee was present at the meeting. The Committee recommended Commission approval of all items.

Item #6 – Finance Committee

Committee Chair Madeline Deaton reported the Committee met once since the last Commission meeting. The Committee held a meeting on November 9th and discussed item 16 on today's agenda. The Committee also discussed long-term CalPERS pension funding plan, recent rating agency actions and current financial market conditions.

The next regular Committee meeting is scheduled for February 8, 2017.

Item #7 – Legal Committee

General Counsel Michael Dean reported the Legal Committee did not meet.

Item #8 – Legislative & Regulatory Affairs Committee

Committee Chair Gary Plass reported that the L&R Affairs committee held its annual Strategic Planning meeting on November 30th from 12:00 – 4:00 pm.

Mark your calendar for the 2017 Strategic Issues Conference being held at the Embassy Suites in Sacramento, January 17-19. Online registration is now open.

Item #9 – Members' Announcements & Meeting Reporting

Gary Plass, **Healdsburg**, announced that he was not reelected for another term, and his last day on the Council is December 19th. Chair Lingl thanked Commissioner Plass for his 12 years of service as NCPA Commissioner, past Chairman and for his time on the Executive Committee.

Michelle Bertolino, **Roseville**, announced that Roseville's bond refinancing received an upgrade to AA.

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. Commissioner Roger Frith asked that Item 13 be pulled for discussion.

Motion: A motion was made by Mark Chandler and seconded by Madeline Deaton to approve the Consent Calendar consisting of Items 10, 11, 12, 14, 15, 16, 17, 18, 19, and 20. The motion carried by a majority of those members present on a roll call vote with the abstentions noted below for each item. *BART was absent.*

Item #10 – NCPA’s Financials for the Month Ended October 31, 2016 – approval by all members.

Item #11 – Treasurer’s Report for the Month Ended October 31, 2016 – accept by all members.

Item #12 – Sale or Disposal of Surplus Property – note and file by all members the disposal of computers, monitor, laptops, scrap metal, and water logs.

Fiscal Impact: this report has no direct budget impact to Agency.

Item #14 – NCPA Major Insurance Renewals for the Period Ending November 20, 2017 – approve by all members the proposed major insurance renewals and authorize the General Manager or his designee to bind the coverage at the proposed “not-to-exceed” premiums.

Fiscal Impact: Estimated insurance costs based on current not to exceed indications are as follows:

	Not to Exceed Quotes	FY 2017 Budget	Budget Variance
NCPA (excl. LEC)	\$2,355,000	\$2,550,000	-7.65%
LEC	\$661,480	\$660,000	0.22%
TOTAL	\$3,016,480	\$3,210,000	-6.03%

To-date, insurance renewals have been accomplished within the Insurance Program budget. The total “not to exceed” quote for the above major insurance programs is \$3,016,480, 6.03% below FY 2017 approved budget of \$3,210,000 for those programs.

NCPA property insurance cost will be allocated to plants according to its insured value and further allocated to participants based on project entitlement share. NCPA liability insurance cost allocation will be based on budget allocation for Admin & General expenses. LEC insurance program cost allocation will be based on generation entitlement share.

Item #15 – Resolution 16-83, Approval of Revised Records Management Policy 100-182 – adopt resolution by all members approving the Records Management Policy and related Exhibits as revised.

Fiscal Impact: no monetary impact is expected from the policy revisions proposed in this staff report.

Item #16 – Resolution 16-86, Review and Approve Investment Policy Guidelines and Delegate Investment Duties to the Treasurer-Controller – adopt resolution by all members approving changes to NCPA investment policy No. 200-100 as follows: 1) a resolution reference; 2) the maximum investment limit permitted by the California Local Agency Investment Fund (LAIF); and 3) the addition of an authorized financial institution. The resolution also confirms delegation to the Treasurer-Controller the authority to invest, or to reinvest funds of the Agency, or to sell or exchange securities so purchased. The Treasurer-Controller assumes full responsibility for investment transactions until the authority is revoked or expires, and shall make a report each month of those transactions to the Commission.

Fiscal Impact: there is no direct dollar impact to this proposed policy. The resolution approves the Agency policy surrounding investments and delegates authority to the Treasurer-Controller for the investment activities of the Agency.

Item #17 – Resolution 16-87, Approve FY 2016 Annual Billing Settlements – adopt resolution by all members approving and authorizing the FY 2015/2016 Annual Billing Settlements.

Fiscal Impact: upon approval by the Commission, the Amount of \$6,217,958 will be distributed to participants. NCPA member refund amounts will be deposited into their respective General Operating Reserve accounts, and other participants will receive the refund payment in accordance with Agency payment terms unless otherwise directed in writing.

Item #18 – Resolution 16-88, GP Crane & Hoist Services – Five Year Multi-Task General Services Agreement. For Crane Inspection and Maintenance Services; Applicable to the following projects: All NCPA Facility Locations, Members, SPCPA, and SPCPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with GP Crane & Hoist Services for crane inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”) or by SCPPA members.

Fiscal Impact: total cost of the agreement is \$500,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase Orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

Truckee Donner abstained.

Item #19 – Resolution 16-89, Geothermal Sulfur Product Sale – adopt resolution by all members authorizing the General Manager or his designee to sell the non-hazardous sulfur product as a soil amendment that is produced as a by-product of the Geothermal operations that has a mercury level below 17 mg/kg (~.3lbs/ton) and a vanadium level below 100 mg/kg (~.2 lbs/ton).

Fiscal Impact: the sale of the sulfur brings in a positive cash flow to the Agency. If the sale of the sulfur were to discontinue, all of the sulfur would have to go to Kettleman Hills at an estimated annual cost of \$250,000.

Palo Alto, Port of Oakland and Truckee Donner abstained.

Item #20 – Approve Appointment to NCPA Finance Committee – ratify by all members the appointment of Melissa Price, Lodi, as a member of the Finance Committee.

Fiscal Impact: this report has no direct fiscal impact to the Agency.

DISCUSSION / ACTION ITEMS

Item #13 – 2017 NCPA Committee Meeting Calendar – approval by all members the Committee Meeting Calendar for 2017.

Fiscal Impact: none.

Commissioner Roger Frith requested further discussion and input on how to manage the five potential conference call Commission meetings that allow Commissioners to attend the meetings via teleconference/video, and to create guidelines for Commissioner’s attendance. Chair Lingl noted the Executive Committee discussed and agreed to a pilot program for Commission meetings, but will continue to meet in person for the Executive Committee meetings, unless a Special Committee meeting is noticed. The Commission discussed at the length the pros and cons of holding Commission meetings via teleconference/video, and took into consideration the importance of meeting in person to ensure constancy and relationships among the members. The Commission agreed to the

following guidelines: Commissioners attend in person as much as possible; must notify NCPA staff a week prior to the meeting date that they will attend the meeting via teleconference/video for those dates noted on the calendar as "potential conference call meetings"; call-in locations will be at the Member city/utility address and NCPA's Roseville Office; Commissioner and essential staff only for all Closed Session discussions; and revisit and evaluate the program following the May Commission meeting.

Motion: A motion was made by Greg Scharff and seconded by Paul Eckert to adopt the 2017 NCPA Committee Meeting Calendar, and the following guidelines: Commissioners attend in person as much as possible; must notify NCPA staff a week prior to the meeting date that they will attend the meeting via teleconference/video for those dates noted on the calendar as "potential conference call meetings"; call-in locations will be at the Member city/utility address and NCPA's Roseville Office; Commissioner and essential staff only for all Closed Session discussions; and revisit and evaluate the program following the May Commission meeting. The motion carried on a roll call vote of those members present. *Alameda, Gridley, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, Santa Clara, and Truckee Donner* voted Yes. *Biggs, Healdsburg, Lodi, Lompoc, and Ukiah* voted No. *BART* was absent.

Item #21 – Resolution 16-84, Approval of Agency In-House General Counsel; Approval of Position, Job Classification and Salary Grade – adopt resolution by all members approving creation of an in-house legal position with Job Classification: General Counsel, with an assigned salary grade of 31, which has a minimum starting salary of \$208,146 and control point of \$260,182 as reflected in the Agency's 2017 Administrative General Wage Structure.

Fiscal Impact: while an in-house General Counsel position was not included in the FY 2017 annual budget, an AGM I Business Development position was included. The Agency proposes repurposing that budgeted and approved headcount for this position. In addition, approximately \$450,000 of legal services was approved in the FY 2017 budget and it is estimated that a savings of approximately \$150,000 per year will be realized by bringing the General Counsel position in-house. As such, the costs to cover this position are already fully accounted for in the FY 2017 budget.

General Manager Randy Howard provided an explanation of the job classification and clarified that approval of the resolution is approving the creation of the position, not hiring an in-house General Counsel at this time.

Motion: A motion was made by Mark Chandler and seconded by Mel Grandi to adopt Resolution 16-84, Approval of Agency In-House General Counsel; Approval of Position, Job Classification and Salary Grade. The motion carried on a roll call vote of those members present. *BART* was absent

Item #22 – Resolution 16-90, Approval of Interim Revenue Allocation Policy – adopt resolution by all members that establishes an interim policy for allocating revenues to Members resulting from NCPA's provision of Power Management and Administrative services to non-member third parties, which is based on the following elements:

1. Implemented at the beginning of Fiscal Year 2018;
2. Reviewed annually, or more frequently if necessary;
3. Allocates revenues to Members that are not under a fixed-rate pricing structure;
4. Allocates ten percent (10%) of revenues received toward Administrative & General (A&G) costs, in the same manner in which A&G budgeted costs flow to Members; and
5. Allocates the balance of revenues received toward Power Management and Administrative Services costs using the existing NCPA Power Management Cost Allocation Spreadsheet Model (otherwise commonly known as the "Nexant Model"), as such is defined in the Power Management and Administrative Services Agreement.

Fiscal Impact: there is no incremental cost associated with the staff time and effort needed to implement this policy. Staffing levels will be included in the FY18 budget, and implementation of this policy is not expected to change staffing levels. Revenues associated with NCPA's provision of Power Management and Administrative services to non-member third parties are expected to be approximately \$600,000 in Fiscal Year 2018. Ten percent (10%) will be allocated to offset A&G costs in the same manner in which A&G budgeted costs are allocated, and the balance of revenues received will be allocated to Members using the Nexant Model.

Assistant General Manager Dave Dockham provided a presentation on the Interim Revenue Allocation Policy. The Commission discussed and recommended including "and using the Cost Allocation Review Group White Paper" at the end of NOW, THEREFORE BE IT RESOLVED as item (vi).

Motion: A motion was made by Gary Plass and seconded by Steve Hollabaugh to adopt Resolution 16-90, Approval of Interim Revenue Allocation Policy with the addition of "and using the Cost Allocation Review Group White Paper" at the end of NOW, THEREFORE BE IT RESOLVED as item (vi). The motion carried on a roll call vote of those members present. *BART was absent*

Item # 23 – Resolution 16-85, Approval of Resolution Commending Carol Garcia – adopt resolution by all members commending Carol Garcia.

Chair Lingl read the resolution expressing appreciation for Carol Garcia's dedication to NCPA.

Motion: A motion was made by Gary Plass and seconded by Roger Frith to adopt Resolution 16-85, Approval of Resolution Commending Carol Garcia. The motion carried on a roll call vote of those members present. *BART was absent*

CLOSED SESSION

Item #24 – 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.

REPORT FROM CLOSED SESSION

Upon return to open session, General Counsel Michael Dean reported there was no reportable action on Closed Session Item 24.

NEW BUSINESS

No new business was discussed.

ADJOURNMENT

The December 1, 2016, Commission meeting was adjourned at 11:35 am.

Respectfully submitted,

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CARY A. PADGETT

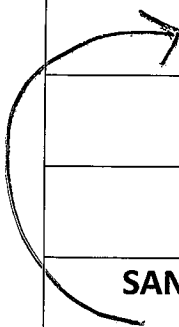
Assistant Secretary to the Commission

Attachments

Northern California Power Agency
 Commission Meeting of December 1, 2016
COMMISSIONER
 Attendance List

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

MEMBER	NAME
ALAMEDA	<i>Madeire Alston</i>
BIGGS	<i>Roy J. [Signature]</i>
GRIDLEY	PAUL ECKERT
HEALDSBURG	<i>[Signature]</i>
LODI	<i>Mark Chandler</i>
LOMPOC	<i>Bob [Signature]</i>
PALO ALTO	<i>[Signature]</i>
PORT OF OAKLAND	Basil Wong
PLUMAS-SIERRA REC	
REDDING	<i>Barry Tippin</i>
ROSEVILLE	<i>Paul Garcia</i>
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	<i>Michael [Signature]</i>
SANTA CLARA	<i>Teresa O'Neill</i>
TRUCKEE DONNER	<i>Stephen Hallbrough</i>
UKIAH	<i>Melf Gaudin</i>



**Northern California Power Agency
Commission Meeting of December 1, 2016
Attendance List**

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

NAME	AFFILIATION
Gary Phas	Alameda
Robert Zugler	NCPA asst general counsel
Liz Warmerdam	Alameda Muni Power
STEPHEN Hollebaugh	TDPUD
John Roakema	Santa Clara
Tom Miller	Shasta Lake
Roger Freitt	Biggs
MARTY Kawooe	Kawooe Associates
Michelle Beaulino	Roseville
Michael Dean	NCPA GC
Bob Long	Compton
Michael Brozo	PSREC
LIZ KIRKLEY	CODI
Dave Dochow	NCPA
Vicki Cichelle	NCPA
Jane Cirincione	NCPA
Donna Stevener	NCPA
SANDRA AINSWORTH	NCPA
Ken Speer	NCPA



CONSENT CALENDAR

All items on the Consent Calendar are considered routine and will be approved without discussion by a single-roll call vote. Any Commissioner or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar.

Prior to the roll call vote to approve the Consent Calendar, the Commissioners will be polled to determine if any Member wishes to abstain from one or more items on the Consent Calendar.

CONSENT CALENDAR ROLL-CALL APPROVAL

Commission Meeting Date: 12/1/16

Consent Items Listed on the Agenda: # 10 to # 20

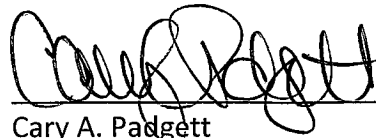
Consent Items Removed from the Agenda and Approved Separately:

13

ROLL-CALL VOTE BY MEMBERS: Lodi / Ala.

Member	Item Numbers Abstained	Vote	Absent
Alameda		✓	
BART			X
Biggs		✓	
Gridley		✓	
Healdsburg		✓	
Lodi		✓	
Lompoc		✓	
Palo Alto	19	✓	
Port of Oakland	19	✓	
Redding		✓	
Roseville		✓	
Santa Clara		✓	
Truckee Donner	18 and 19	✓	
Ukiah		✓	
Plumas-Sierra		✓	

ATTEST:



 Cary A. Padgett

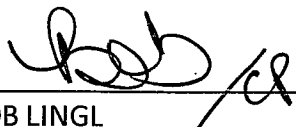
Assistant Secretary to the Commission

**Northern California Power Agency
ROLL CALL VOTE**

Topic: Item 13

	<u>VOTE</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Alameda	<u>Y</u>	<u> </u>	<u> </u>
BART	<u> </u>	<u> </u>	<u>X</u>
Biggs	<u>N</u>	<u> </u>	<u> </u>
Gridley	<u>Y</u>	<u> </u>	<u> </u>
Healdsburg	<u>N</u>	<u> </u>	<u> </u>
Lodi	<u>N</u>	<u> </u>	<u> </u>
Lompoc	<u>N</u>	<u> </u>	<u> </u>
Palo Alto	<u>Y</u>	<u> </u>	<u> </u>
Plumas-Sierra	<u>Y</u>	<u> </u>	<u> </u>
Port of Oakland	<u>Y</u>	<u> </u>	<u> </u>
Redding	<u>Y</u>	<u> </u>	<u> </u>
Roseville	<u>Y</u>	<u> </u>	<u> </u>
Santa Clara	<u>Y</u>	<u> </u>	<u> </u>
Truckee Donner	<u>Y</u>	<u> </u>	<u> </u>
Ukiah	<u>N</u>	<u> </u>	<u> </u>

Passed and adopted this 1st day of December 2016, by the above vote on roll call.


BOB LINGL
Chair

ATTEST: 
CARY A. PADGETT
Assistant Secretary

Northern California Power Agency

ROLL CALL VOTE

Topic: Resolution 16-84 item # 21

	<u>VOTE</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Alameda	<u>Y</u>	<u>_____</u>	<u>_____</u>
BART	<u>_____</u>	<u>_____</u>	<u>X</u>
Biggs	<u>Y</u>	<u>_____</u>	<u>_____</u>
Gridley	<u>Y</u>	<u>_____</u>	<u>_____</u>
Healdsburg	<u>Y</u>	<u>_____</u>	<u>_____</u>
Lodi	<u>Y</u>	<u>_____</u>	<u>_____</u>
Lompoc	<u>Y</u>	<u>_____</u>	<u>_____</u>
Palo Alto	<u>Y</u>	<u>_____</u>	<u>_____</u>
Plumas-Sierra	<u>Y</u>	<u>_____</u>	<u>_____</u>
Port of Oakland	<u>Y</u>	<u>_____</u>	<u>_____</u>
Redding	<u>Y</u>	<u>_____</u>	<u>_____</u>
Roseville	<u>Y</u>	<u>_____</u>	<u>_____</u>
Santa Clara	<u>Y</u>	<u>_____</u>	<u>_____</u>
Truckee Donner	<u>Y</u>	<u>_____</u>	<u>_____</u>
Ukiah	<u>Y</u>	<u>_____</u>	<u>_____</u>

Passed and adopted this 1st day of December 2016, by the above vote on roll call.

Bob Lingl
 BOB LINGL
 Chair

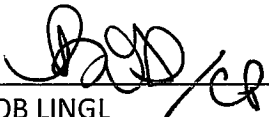
ATTEST: Cary A. Padgett
 CARY A. PADGETT
 Assistant Secretary


**Northern California Power Agency
ROLL CALL VOTE**

Topic: Resolution 16-90 item 22

	<u>VOTE</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Alameda	<u>X</u>	<u> </u>	<u> </u>
BART	<u> </u>	<u> </u>	<u>X</u>
Biggs	<u>Y</u>	<u> </u>	<u> </u>
Gridley	<u>Y</u>	<u> </u>	<u> </u>
Healdsburg	<u>Y</u>	<u> </u>	<u> </u>
Lodi	<u>Y</u>	<u> </u>	<u> </u>
Lompoc	<u>Y</u>	<u> </u>	<u> </u>
Palo Alto	<u>Y</u>	<u> </u>	<u> </u>
Plumas-Sierra	<u>Y</u>	<u> </u>	<u> </u>
Port of Oakland	<u>X</u>	<u> </u>	<u> </u>
Redding	<u>X</u>	<u> </u>	<u> </u>
Roseville	<u>X</u>	<u> </u>	<u> </u>
Santa Clara	<u>X</u>	<u> </u>	<u> </u>
Truckee Donner	<u>X</u>	<u> </u>	<u> </u>
Ukiah	<u>X</u>	<u> </u>	<u> </u>

Passed and adopted this 1st day of December 2016, by the above vote on roll call.


BOB LINGL
Chair

ATTEST: 
CARY A. PADGETT
Assistant Secretary



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

Commission Staff Report

AGENDA ITEM NO.: 5

Date: January 12, 2017
To: NCPA Commission
Subject: December 7, 2016 Facilities Committee Meeting Minutes & January 4, 2017
Facilities Committee Meeting Minutes

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



651 Commerce Drive
Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
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Minutes

To: NCPA Facilities Committee
From: Michelle Schellentrager
Subject: December 7, 2016 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Alan Hanger at 9:02am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Mark Sorensen (Biggs), Terry Crowley (Healdsburg), Melissa Price (Lodi), Tikan Singh (Lompoc), Chris Hutchinson (Palo Alto), David Saio (Roseville), Steve Hance and Kathleen Hughes (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Port of Oakland, Plumas-Sierra, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the November 2nd and November 16th Facility Committee meetings.** Shannon McCann requested verbiage change for item 4, 2nd paragraph of the November 2nd meeting minutes, as well as a spelling correction to Item 7. She also suggested that Option 3 be defined on the November 16th meeting minutes. A motion was made by Shannon McCann and seconded by Jaiyo Chiang recommending approval of the November 2nd and November 16th Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville and Santa Clara. The motion passed.
- 3. Nalco Company Water and Process Services First Amendment** – Staff recommended approval of a First Amendment to the existing five-year specialty chemicals and services agreement with Nalco Company LLC. This Amendment would increase the not-to-exceed amount from \$1,000,000 to \$2,000,000 and expand the scope of services to include Geo and Hydro facilities. The terms of the current agreement would not be changing. Staff was unable to include a price sheet, as the chemical costs fluctuate, so advance bids aren't possible, however, this is an enabling agreement, so it will be going out for bids; the Staff Report will be amended to reflect that Appendix B (advance price bidding) will no longer be included. A draft Commission Staff Report and a presentation were available for review.

Motion: A motion was made by Shannon McCann and seconded by Jaiyo Chiang recommending Commission approval of a First Amendment to the existing five-year specialty chemicals and services agreement with Nalco Company LLC increasing the not-to-exceed amount from \$1,000,000 to \$2,000,000 and to expand the scope of work to include all facilities owned and/operated by NCPA, with modifications to SR that prices will be bid at a later date. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg,

Lodi, Lompoc, Palo Alto, Roseville and Santa Clara. The motion passed.

- 4. CellMark USA, LLC First Amendment** – Staff approval of a First Amendment to the existing five year Stretford system chemicals agreement with CellMark USA, LLC, increasing the not-to-exceed amount from \$95,000 to \$500,000. Increasing this amount will allow NCPA to expand the chemicals they provide to us. This is the only company that will provide the chemicals Vanadium and Sulfa-Ban EF to NCPA, for use in the Stretford abatement process. The Facilities Committee recommended that this agreement be updated to reflect “General Council” not “Michael Dean” specifically, as one of the signatories. The current scope of work and terms of the agreement will remain unchanged. A draft Commission Staff Report and presentation were available for review.

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval of the First Amendment to the existing Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with CellMark USA, LLC increasing the not to exceed amount from \$95,000 to \$500,000. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Lompoc, Roseville and Santa Clara. ABSTAIN = Palo Alto. The motion passed.

- 5. Geothermal Facility Retroactive Solar Credits** – Staff provided an update retroactive solar credits associated with SEGEP Pipeline.

Staff reviewed the average monthly generation from the Southeast Geysers Effluent Pipeline (SEGEP). 2014 – 2016 REC's were denied because of implementation of WRE GIS tracking system, and NCPA's lack of QRE (needed to verify generation). Members can claim Bucket 1 REC's on SEGEP power, effective April 2016 (the estimated value of these REC's is approximately \$197,280/year). Randy Howard suggested that Staff check into getting retroactive Bucket 3 REC's.

6. Planning and Operations Update –

- TO-18: PG&E held a tech conference on November 30th to answer questions about the case. Dave Dockham said participants continue to submit discovery requests to PG&E. Joint interveners will meet on December 11th to discuss strategies and approaches to a possible settlement. FERC Top Sheets will come out on December 12th. The first Settlement Conference is scheduled the week of February 7th.
- CAISO Flexible Ramping Product: It is too soon to determine how well the new product is working. IS will continue to monitor and test.
- November 1st Resource Adequacy: Prior to this, performance of resources were determined by outage tickets that had been submitted. Now, resource performance will be based on whether you have a bid in the market for those resources. NCPA's goal is to get daily settlement statements.
- NCPA is continuing to work on the PG&E Gas Transport Case, and have had conversations with CAISO Marketing Staff. NCPA's re-hearing request is pending. Ken Speer is looking at options to assess price shifts that took place which may have had adverse environmental or financial impacts. PG&E puts most costs on their distribution system instead of the backbone system, and it does not appear they did a true cost-of-service allocation.
- A PPA for Biggs, Gridley, Lodi and Oakland will be brought to the Commission in January. It will be posted to the NCPA site, with an approval draft being available for review prior to the January Facilities meeting.


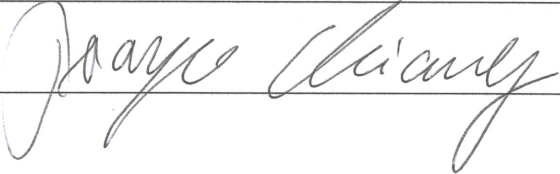
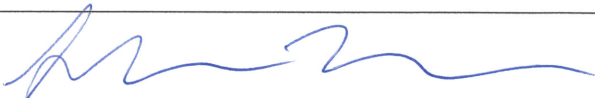
- 7. Schedule next meeting date** – the next regular Facilities Committee meeting is scheduled for January 4th, 2017.

ADJOURNMENT

The meeting was adjourned at 9:53am.

**Northern California Power Agency
Facilities Committee Meeting of December 7, 2016
Facilities Committee
Attendance List**

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

MEMBER	NAME
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
ROSEVILLE	
SANTA CLARA	
TID	
UKIAH	

**Northern California Power Agency
Facilities Committee Meeting of December 7, 2016
Attendance List**

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

NAME	AFFILIATION
Michelee Schellentrager	NCPA
Shannon McCann	Roseville
Randy S. Howard	NCPA
James Takahara	NCPA
Bob Young	NCPA



651 Commerce Drive
Roseville, CA 95678

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

Minutes

To: NCPA Facilities Committee
From: Michelle Schellentrager
Subject: January 4, 2017 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Melissa Price at 9:02am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Hanger, Barry Leska and Debbie Whiteman (Alameda), Mark Sorensen (Biggs), Tikan Singh (Lompoc), Monica Padilla (Palo Alto), Basil Wong (Port of Oakland), Mike Brozo (Plumas-Sierra), Steve Hance and Kathleen Hughes (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the December 7th, 2016 Facility Committee meeting.** Monica Padilla noted that Chris Hutchinson had attended the December Meeting and requested the list of attendees be corrected. A motion was made by Shannon McCann and seconded by Alan Hanger recommending approval of the December 7th, 2016 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville and Santa Clara. The motion passed.
- 3. Hydroelectric Facility – North Fork Tunnel Maintenance Project** – Staff provided an update on three Hydro projects recently completed: North Fork tunnel maintenance, McKays Point drain reaming, and the Collierville Powerhouse roof sealing.

Staff reviewed all of the steps required to successfully complete each of the projects, and were able to provide Members with pictures detailing the state of each project before, during, and after completion. All three projects were completed successfully; based on the original estimated costs, all projects came in under budget. Members gave feedback that they appreciated the updates staff provided.

- 4. Hydroelectric Facility – State Water Resources Control Board San Joaquin River Water Quality Control Plan Substitute Environmental Document** – Staff provided an overview on the recirculated draft Substitute Environmental Document from the State Water Resources Control Board regarding the Delta Flow Criteria and San Joaquin River Flow Objectives. This document outlines the SWRCB's goals, not the actual steps to reach those goals.

The San Joaquin River Watershed does not produce enough water to support the ecosystem or meet the demands from farmers and consumers. The report summarizes the SWRCB's recommendation, which is to allow 40% unimpaired flow on the San Joaquin River and its tributaries (Stanislaus, Tuolumne, and Merced). This 40% should have negligible impact on NCPA's hydro facilities/operations, with an estimated fiscal impact of <\$25k/year.

NCPA is working with ECORP Consulting to review these recommendations. The comment period on this draft has been extended through mid-January. Our consultant was not planning on recommending NCPA comment on anything, as this report does not include a plan or outline, so there is nothing substantive for NCPA to comment on at this point.

Ken Speer noted that the SWRCB's initial recommendations may not impact NCPA watershed, however, in the future NCPA could be asked to release water sooner than we typically do (to offset shortages from those who hold water rights claims), and that would impact NCPA's hydro operations. Additionally, NCPA will be up for FERC relicensing in 2030, which could also prove to be difficult as a result. Other staff expressed concerns about the possibility of mandated conservation. Randy Howard recommended that staff work with our consultant to explore potential fiscal impacts for NCPA should the SWRCB decide to implement water conservation efforts.

- 5. Condor Earth Technologies Services Agreement** – Staff recommended approval of a 5-year Multi-Task Professional Services Agreement with Condor Earth Technologies, Inc. with a not-to-exceed amount of \$1,000,000. This Agreement will allow Condor Earth Technologies to provide various professional and engineering services to NCPA, including mapping and land surveying, construction observation and testing, and other miscellaneous engineering tasks to support project and plant operations. A draft Commission Staff Report and a presentation were available for review.

Motion: A motion was made by Jaiyo Chiang and seconded by Shannon McCann recommending Commission approval of a Multi-Task Professional Services Agreement with Condor Earth Technologies, Inc. for engineering consulting services related to project support and plant operations, with any nonsubstantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 6. Report on NCPA Major Insurance Renewals Update**– Staff provided an update on NCPA's insurance renewals.

Staff outlined the cost of NCPA's previous coverage, and compared it with the rates for the renewed coverage. The final rates were significantly lower than the proposed rates that were approved by the Commission in December. NCPA's Workers' Compensation rates were 48.46% lower than the expiring policy premium, with the total NCPA insurance cost (Property, Casualty and Workers' Compensation) being 22.69% lower than the forecasted amount.

- 7. Power Supply Assumptions** – Staff provided an informational overview of NCPA's FY 2018 Power Supply Budget Assumptions.

Staff reviewed the factors that are plugged into the PLEXOS model in order to generate the market price assumption forecast for FY 2018. Staff reviewed the specific data that was utilized from each of NCPA's generation facilities (Geothermal, Western, Natural Gas, etc.). Summaries of the estimated ancillary costs and revenue summaries for LEC and Hydro were outlined in the presentation and reviewed with the Committee.

Staff also provided a brief update on the Gas Transport Rate Case. PG&E's rate case was approved in June 2016, and will cover rates through 2019. In December, the CPUC stated that a portion of the \$850M penalty related to the San Bruno gas line explosion would be returned to PG&E gas customers in the form of reduced gas prices. This decision will help to offset some of the anticipated price increases in CY 2018.

Staff intends to have a final budget input submitted to NCPA Accounting Division by mid-January, with the final FY 2018 Power Supply Models distributed to members by January 19th.

- 8. Revised Attachment A to BART SMSA** – Staff recommended approval of Amendment 3 to the BART SMSA, which includes revising Attachment A. This revision is needed to clarify the new services NCPA will be providing to BART (including scheduling BART’s load and all resources). BART will be wholly responsible for any and all costs associated with activities performed by NCPA under this revised agreement. There will not be a defined expiration date (the expiration date of the SMSA applies to the updated Attachment A).

Motion: A motion was made by Basil Wong and seconded by Shannon McCann recommending Commission approval of Amendment No. 3 to the BART SMSA, which includes a revised Attachment A that is attached to and made part of the BART SMSA, to clarify the services NCPA shall supply to BART and to Authorize the General Manager of NCPA to execute Amendment No. 3 to the BART SMSA, on behalf of NCPA, including any non-substantive modifications to Amendment No. 3 to the BART SMSA approved by NCPA’s General Counsel.. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville and Santa Clara. The motion passed.

- 9. Renewable Energy Purchase, sPower** – Staff was recommending Commission approval of a Third Phase Agreement for Renewable Energy Power Purchase Agreement with Antelope Expansion 1b, LLC and a Power Purchase Agreement between Antelope Expansion 1b, LLC and NCPA.

Staff reviewed the NCPA Members participating in these Agreements, and how many MW shares each Member intended to purchase. Staff also gave the Committee background on the Antelope Expansion 1b Facility. This transaction will be treated as an NCPA Project, which protects non-participating Members from any direct/indirect costs associated with this project.

Staff also discussed some of the key provisions, including terms under which the PPA could be terminated. Staff feels the terms are favorable to NCPA and that they indicate that sPower is confident in this project and their ability to meet all of the requirements of the agreement. The Committee seemed interested in the Purchase Option (which will be available to NCPA at the end of the 10th, 15th and 20th years), however, they recommended that staff discuss the buyout cap further with sPower prior to finalizing the Agreements. Healdsburg also expressed interest in joining.

The Committee recommended that staff wait to vote on these Agreements until after discussions with sPower regarding the buyout terms, as well as investigating whether there is still the opportunity for Healdsburg to participate in this project.

10. Planning and Operations Update –

- The Extranet is scheduled to go live on January 23rd. Bob Caracristi and Chris Carnesi will be distributing information to members with instructions on how to access the new system (the registration process will be similar to the process for accessing the data portal). Members will have access to All Resources Bill via the new Extranet. All other data portal information will still be accessed via the old data portal for the time being. Phase II should include integrating the data portal fully with the Extranet.
- CAISO Flexible Ramping Product: NCPA plans to set up a meeting with CAISO to discuss issues identified since the rollout of the new product (including persistent deviations).
- TO18: A joint intervener meeting is scheduling for next week in Sacramento. NCPA will meet with TANC, Modesto, etc. to develop settlement and litigation policies and discuss how each participant will approach this.

- NCPA will begin scheduling under BRT1. This will allow NCPA to schedule new entities (Merced, PCWA, etc.) in the future.
- NCPA is continuing to work on the PG&E Gas Transport Case. The CAISO seem eager to address NCPA's concerns. The upcoming Annual Market Update Report (usually released around March or April) should include further updates.
- FERC counsel notified NCPA that Apparent has filed a Demand Response Aggregate with Santa Clara and Palo Alto. Tony Zimmer is currently working to find out additional information. NCPA does know that Apparent will need to go through a number of steps before they will be able to start aggregating load in those cities. Up to this point, CAISO has been quiet on this issue. NCPA advised Members to verify that they have ordinances in place to prevent this, as well as plans in place to deal with this should it happen to them.
- Randy Howard gave Members a brief overview of a FERC report on hacking that was recently released (in response to the utility on the East Coast that found Russian malware on a company computer). Bob Caracristi has scanned all of NCPA's firewall logs and found no files of concern. NCPA has been awarded a deed grant for a Cyber Security student intern this summer.

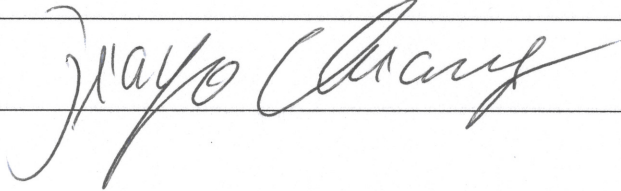

11. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for February 1st, 2017.

ADJOURNMENT

The meeting was adjourned at 11:55am.

**Northern California Power Agency
Facilities Committee Meeting of January 4, 2017
Facilities Committee
Attendance List**

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

MEMBER	NAME
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	Mike Brozo
PORT OF OAKLAND	
ROSEVILLE	
SANTA CLARA	
TID	
UKIAH	



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Roseville, CA 95678

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

Commission Staff Report

AGENDA ITEM NO.: 6

Date: January 12, 2017
To: NCPA Commission
Subject: January 9, 2017 Special Finance Committee Meeting Minutes

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



651 Commerce Drive
Roseville, CA 95678

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

Minutes

Date: January 12, 2017
To: NCPA Finance Committee
From: Trisha Hubbard, Administrative Assistant
Subject: January 9, 2017 Special Finance Committee Meeting Minutes

Finance Committee Attendees:

Committee Members

Madeline Deaton, Chair	Alameda	Call-in
Ann Hatcher	Santa Clara	Call-in (at 2:40)
Jordan Ayers	Lodi	Call-in
Matt Michealis	Gridley	Call-in (at 2:45)
Philip McAvoy	Roseville	Absent

Member Staff

Bob Orbeta	Alameda	Call-in
Liz Warmerdam	Alameda	Call-in
Tarun Narayan	Palo Alto	Call-in
Monty Hanks	Roseville	Call-in

Attended:

Consultants

Mike Berwanger	PFM
Gene Carron	Orrick

NCPA Staff

Randy Howard
Sondra Ainsworth
Bob Caracristi
Trisha Hubbard

1. & 2. Call Meeting to Order and Roll Call

Chair Madeline Deaton called the meeting to order at 2:15 p.m. and roll call was conducted as listed above.

PUBLIC FORUM

Ms. Deaton asked if anyone wished to address the Committee on matters within the jurisdiction of the Committee. There were no requests for public comment at the site or at any of the teleconference locations.

REPORTS AND COMMITTEE ACTION ITEMS

4. Review and Recommendation for Approval of the Long-Term Funding Plan for NCPA's Employee Pension Program

Staff provided a presentation seeking a recommendation for approval of a Long-Term Funding Plan for NCPA's Employee Pension Program. At the November 9th Finance Committee meeting, following the discussions of the growing unfunded employee pension program liability, the Committee directed staff to develop a long-term funding plan that would establish a minimum funding level of 80% within 15 years. Additionally, the Committee

directed staff to research other ways to limit the pension liability going forward; staff was specifically directed to further research the Public Agency Retirement System (PARS) Pension Rate Stabilization Program. The employee pension program is currently at 56.1% funded.

Staff provided information related to the PARS Pension Rate Stabilization Program. The advantages of depositing additional contributions with PARS include more flexibility, greater control over pension assets, diversification of risk, and established trustee and investment management partners U.S. Bank and HighMark Capital. The disadvantages include initial fees that are 35 basis points higher than CalPERS and that the 9 year historical investment returns of the recommended investment profile of PARS had a significantly lower average return compared to CalPERS.

Member concerns:

Santa Clara asked if staff contemplated more funding source options for members to consider. Staff explained that the different options were presented during the November 9, 2016 meeting and following discussions during that meeting, staff was asked to consider the 15 year funding option as it appeared to provide the best balance of "extra funding" and projected savings.

Roseville and Alameda requested that staff improve upon timelines on the notice given to members when asked to make these decisions for their budget planning purposes. Alameda specifically requested a two year deferral of the additional funding level as Alameda has committed to holding rates steady for two years, and the City needs time to fold the costs into the rate base.

Alameda asked if it was possible to consider a longer amortization or to change the minimum funding to 75%. Lodi asked if there may be some risk involved in implementing an Agency policy that sets the minimum funding level below the rating agency's recommended ratio of 80%.

Motion: A motion was made by Monty Hanks and seconded by Melissa Price recommending approval of the Long-Term Funding Plan for NCPA's Employee's Pension Program framework which includes the following: 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 employer required contribution each year; 2) shorten the amortization period used in the CalPERS actuarial calculations from 30 years to 15 years and fund an increased employer contribution that will reduce the liability 3) research other ways to limit the pension liability going forward; and 4) Chair of the Finance Committee to provide an annual report to the full Commission on the progress of reducing the unfunded liability and propose to limit the pension liability going forward. The specific funding level for FY2018 is subject to the budget process which includes Committee review and recommended approval of the final budget figures. A vote was taken by roll call: YES = Madeline Deaton (Alameda), Ann Hatcher (Santa Clara), Melissa Price (Lodi), Matt Michaelis (Gridley). ABSENT = Philip McAvoy. Monty Hanks of Roseville was present and expressed his support of the recommendation. Voting Results: 4 Ayes, 0 Noes, 0 Abstain, 1 Absent. The motion passed.

NEW BUSINESS

5. External Auditors Request for Proposal Selection Panel

Staff plans to distribute a Request for Proposal for external auditors mid to late February this year. Staff is seeking member feedback on their desired participation level. In past RFPs, the Finance Committee members participated in the review and selection process. The Committee recommends continuing with member involvement going forward.

6. Financial Advisors Request for Proposal Selection Panel

Staff plans to distribute a Request for Proposal for financial advisors mid to late February this year. Staff is seeking member feedback on their desired participation level. In past RFPs, the Finance Committee members participated in the review and selection process. The Committee recommends continuing with member involvement going forward.

7. Other Items of Interest to the Finance Committee

No other items brought to the Committee for discussion.

5. Next Finance Committee Meeting

The next regular Finance Committee meeting is scheduled for February 8, 2017 at 10:00 a.m.

ADJOURNMENT

The meeting was adjourned at 3:34 p.m.



Commission Staff Report

December 14, 2016

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: November 2016 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 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>	

RECOMMENDATION:

Approval by all members.

NOTICE:

The disbursements of the Northern California Power Agency for the month reported herein, will be approved at the January 19, 2017 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 November 2016 financial reports are also included.

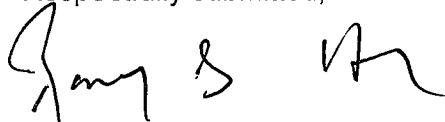
FISCAL IMPACT:

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 November 2016

Operations:

Geothermal	\$ 1,168,334
Hydroelectric	3,460,351
CT#1 Combustion Turbines	93,616
CT#2 STIG	556,267
Lodi Energy Center	6,911,617
NCPA Operating	20,484,868
Total	<u>\$ 32,675,053</u>

NORTHERN CALIFORNIA POWER AGENCY
 REPORT OF BUDGET VS. ACTUAL COST
 FOR THE PERIOD ENDED NOVEMBER 30, 2016

PERCENT OF YEAR ELAPSED 42%

	This Month	Actual Year To-Date	FY 2017 Budget	% Used	
<u>GENERATION RESOURCES</u>					
<u>NCPA Plants</u>					
Hydroelectric					
Other Plant Cost	\$ 1,268,071	\$ 4,922,907	\$ 13,601,891	36%	
Debt Service (Net)	3,187,715	15,938,573	38,252,575	42%	
Annual Budget Cost	4,455,786	20,861,480	51,854,466	40%	
Geothermal					
Other Plant Cost	1,998,484	9,830,203	28,035,560	35%	
Debt Service (Net)	425,812	2,129,060	5,109,745	42%	
Annual Budget Cost	2,424,296	11,959,263	33,145,305	36%	
Combustion Turbine No. 1	271,992	1,435,303	2,648,330	54%	(a)
Combustion Turbine No. 2 (Stig)					
Fuel and Pipeline Transport Charges	80,427	359,448	936,070	38%	
Other Plant Cost	146,715	755,885	2,025,600	37%	
Debt Service (Net)	468,797	2,343,987	5,625,568	42%	
Annual Budget Cost	695,939	3,459,320	8,587,238	40%	
Lodi Energy Center					
Fuel	521,626	4,764,289	44,100,578	11%	
Other Plant Cost	2,304,767	8,076,286	22,453,402	36%	
Debt Service (Net)	2,202,269	11,001,306	26,437,261	42%	
Annual Budget Cost	5,028,662	23,841,881	92,991,241	26%	
Member Resources - Energy	3,605,890	18,385,131	45,637,694	40%	
Member Resources - Natural Gas	521,265	2,283,771	4,877,728	47%	
Western Resources	1,586,770	10,716,199	30,288,301	35%	
Market Power Purchases	3,412,984	12,192,344	39,302,363	31%	
Load Aggregation Costs - CAISO	15,328,770	66,160,959	240,128,621	28%	
Net GHG Obligations	-	534,660	2,539,910	21%	
	37,332,354	171,830,311	552,001,197	31%	
<u>TRANSMISSION</u>					
<u>Independent System Operator</u>					
Grid Management Charge	281,723	1,312,612	3,799,908	35%	
Wheeling Access Charge	5,742,695	32,801,552	74,972,258	44%	
Ancillary Services	113,778	883,297	1,421,202	62%	(b)
Other Charges	1,139,134	2,968,641	807,975	367%	(c)
	7,277,330	37,966,102	81,001,343	47%	

NORTHERN CALIFORNIA POWER AGENCY
 REPORT OF BUDGET VS. ACTUAL COST
 FOR THE PERIOD ENDED NOVEMBER 30, 2016

PERCENT OF YEAR ELAPSED 42%

	This Month	Actual Year To-Date	FY 2017 Budget	% Used
MANAGEMENT SERVICES				
Legislative & Regulatory				
Legislative Representation	103,183	608,885	1,896,810	32%
Regulatory Representation	103,480	365,578	794,328	46%
Western Representation	49,133	226,368	816,695	28%
Member Services	27,011	150,359	432,215	35%
Judicial Action	37,639	127,152	625,000	20%
Power Management				
System Control & Load Dispatch	392,020	2,096,378	5,621,941	37%
Forecasting, Planning, Prescheduling & Trading	180,726	865,787	2,554,949	34%
Industry Restructuring & Regulatory Affairs	24,338	122,872	414,128	30%
Contract Admin, Interconnection Svcs & External Affairs	66,046	349,937	1,136,523	31%
Green Power Project	191	823	17,782	5%
Gas Purchase Program	4,888	24,754	86,550	29%
Market Purchase Project	6,172	33,639	127,856	26%
Energy Risk Management				
Settlements	14,989	65,867	211,925	31%
Integrated Systems Support	39,672	207,719	861,558	24%
Participant Pass Through Costs	2,720	74,287	310,532	24%
Support Services	296,222	599,803	1,417,039	42%
	7,086	19,524	-	N/A
	1,355,516	5,939,732	17,325,831	34%
TOTAL ANNUAL BUDGET COST	45,965,200	215,736,145	650,328,371	33%
LESS: THIRD PARTY REVENUE				
Plant ISO Energy Sales	3,847,720	24,020,175	118,942,685	20% (d)
Load Aggregation Energy Sales	10,405,456	39,425,917	184,116,660	21% (e)
Ancillary Services Sales	285,056	1,667,718	3,790,032	44%
Other ISO Revenue	1,662,208	4,899,161	-	N/A
Transmission Sales	9,198	45,990	110,376	42%
Western Credits, Interest and Other Income	1,285,629	10,370,760	14,810,642	70%
	17,495,267	80,429,721	321,770,395	25%
NET ANNUAL BUDGET COST TO PARTICIPANTS	\$ 28,469,933	\$ 135,306,424	\$ 328,557,976	41%

- (a) Increase in costs due to greater than projected MWhs of generation. CT1 is at 226% of budgeted MWhs at 11/30/16. Fuel costs, CA ISO charges, and other variable costs have all increased as a result of increased generation.
- (b) Ancillary services requirements increased two to three times. Budgeted price per MWh were \$5-\$10 while actuals were in the \$15-\$20 per MWh range.
- (c) The large budget to actual variance is caused by unbudgeted CA ISO costs including imbalance costs, neutrality allocations, congestion offsets, and other cost allocations. These costs are not budgeted due to their unpredictable nature.
- (d) Variance due to lower than anticipated ISO energy sales for the Lodi Energy Center (LEC). Power values in the CAISO markets remain low. In addition, LEC was offline from 10/20/16 to 10/31/2016 due to a failed emissions test. As a result, LEC is at 23% of budgeted generation at 11/30/16.
- (e) Market prices down due to increased hydro and solar generation availability in the CAISO markets.

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	November 30,	
	2016	2015
ASSETS	(in thousands)	
CURRENT ASSETS		
Cash and cash equivalents	\$ 37,002	\$ 48,145
Investments	29,848	29,076
Accounts receivable		
Participants	11	-
Other	717	486
Interest receivable	134	113
Inventory and supplies	9,286	8,344
Prepaid expenses	93	174
TOTAL CURRENT ASSETS	<u>77,091</u>	<u>86,338</u>
RESTRICTED ASSETS		
Cash and cash equivalents	53,252	55,558
Investments	158,455	150,109
Interest receivable	394	298
TOTAL RESTRICTED ASSETS	<u>212,101</u>	<u>205,965</u>
ELECTRIC PLANT		
Electric plant in service	1,501,281	1,500,641
Less: accumulated depreciation	(924,776)	(894,184)
	<u>576,505</u>	<u>606,457</u>
Construction work-in-progress	266	96
TOTAL ELECTRIC PLANT	<u>576,771</u>	<u>606,553</u>
OTHER ASSETS		
Regulatory assets	247,865	251,180
Unused vendor credits	44	-
TOTAL ASSETS	<u>1,113,872</u>	<u>1,150,036</u>
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	53,037	58,878
Pension deferrals	9,093	5,310
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>62,130</u>	<u>64,188</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,176,002</u>	<u>\$ 1,214,224</u>

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	November 30,	
	2016	2015
LIABILITIES	(in thousands)	
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 20,244	\$ 18,332
Member advances	993	993
Operating reserves	19,490	22,841
Current portion of long-term debt	39,705	37,390
Accrued interest payable	19,458	20,239
TOTAL CURRENT LIABILITIES	99,890	99,795
NON-CURRENT LIABILITIES		
Net pension liability	57,774	57,260
Operating reserves and other deposits	134,668	128,751
Interest rate swap liability	23,260	20,657
Long-term debt, net	748,692	788,534
TOTAL NON-CURRENT LIABILITIES	964,394	995,202
TOTAL LIABILITIES	1,064,284	1,094,997
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	72,842	74,827
Pension deferrals	6,599	4,947
TOTAL DEFERRED INFLOWS OF RESOURCES	79,441	79,774
NET POSITION		
Net investment in capital assets	(51,162)	(50,611)
Restricted	59,246	55,651
Unrestricted	24,193	34,413
TOTAL NET POSITION	32,277	39,453
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,176,002	\$ 1,214,224

COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	Five Months Ended November 30,	
	2016	2015
	(in thousands)	
OPERATING REVENUES		
Participants	\$ 142,079	\$ 140,509
Other Third-Party	58,882	73,093
TOTAL OPERATING REVENUES	200,961	213,602
OPERATING EXPENSES		
Purchased power	94,830	92,837
Operations	22,482	32,083
Transmission	39,472	33,569
Depreciation	12,811	12,801
Maintenance	6,323	8,350
Administrative and general	7,328	6,810
TOTAL OPERATING EXPENSES	183,246	186,450
NET OPERATING REVENUES	17,715	27,152
OTHER (EXPENSES) REVENUES		
Interest expense	(18,652)	(22,218)
Interest income	(120)	866
Other	7,329	2,750
TOTAL OTHER EXPENSES	(11,443)	(18,602)
FUTURE RECOVERABLE AMOUNTS	(1,654)	1,521
REFUNDS TO PARTICIPANTS	(304)	(608)
INCREASE IN NET POSITION	4,314	9,463
NET POSITION, Beginning of year	27,963	29,990
NET POSITION, Period ended	\$ 32,277	\$ 39,453

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

November 30, 2016

ASSETS	GENERATING & TRANSMISSION RESOURCES										Associated Member Services	Other Agency	Combined		
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission								
CURRENT ASSETS															
Cash and cash equivalents	\$ 1	\$ -	\$ -	\$ 1	\$ 1	\$ 71	\$ -	\$ -	\$ -	\$ 48	\$ -	\$ 36,880	\$ 29,848	\$ 37,002	\$ 29,848
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Participants	9	-	-	-	-	-	-	-	629	-	-	11	-	11	11
Other	-	-	-	-	-	-	-	-	-	-	-	79	-	79	717
Interest receivable	-	-	-	-	42	-	-	-	37	-	-	55	-	55	134
Inventory and supplies	4,282	1,079	642	1,402	1,881	-	-	-	-	-	-	-	-	-	9,286
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	80	-	80	93
Due from Agency and other programs*	18,198	13,601	2,088	(910)	10,330	-	-	-	11,347	-	-	6,788	(61,442)	-	-
TOTAL CURRENT ASSETS	22,490	14,680	2,731	493	12,324	-	-	-	12,013	-	-	6,849	5,511	77,091	-
RESTRICTED ASSETS															
Cash and cash equivalents	4,926	5,700	2	-	15,189	-	-	-	3,352	-	-	24,083	-	53,252	53,252
Investments	19,552	40,102	3,534	-	24,215	-	-	-	18,686	-	-	52,366	-	158,455	158,455
Interest receivable	13	130	14	-	11	-	-	-	-	-	-	226	-	394	394
TOTAL RESTRICTED ASSETS	24,491	45,932	3,550	-	39,415	-	-	-	22,038	-	-	76,675	-	212,101	212,101
ELECTRIC PLANT															
Electric plant in service	568,718	394,187	64,826	36,245	423,630	7,736	-	-	-	662	-	5,277	-	1,501,281	1,501,281
Less: accumulated depreciation	(529,680)	(246,972)	(44,866)	(34,191)	(58,420)	(7,736)	-	-	-	(339)	-	(2,572)	-	(924,776)	(924,776)
Construction work-in-progress	39,038	147,215	19,960	2,054	365,210	-	-	-	-	323	-	2,705	-	576,505	576,505
140	-	-	-	-	102	-	-	-	-	-	-	24	-	266	266
TOTAL ELECTRIC PLANT	39,178	147,215	19,960	2,054	365,312	-	-	-	-	323	-	2,729	-	576,771	576,771
OTHER ASSETS															
Regulatory assets	1,326	157,569	12,408	-	20,197	-	-	-	-	-	-	56,365	-	247,865	247,865
Unused vendor credits	44	-	-	-	-	-	-	-	-	-	-	-	-	44	44
TOTAL ASSETS	87,529	365,396	38,649	2,547	437,248	-	-	-	34,051	7,172	-	141,280	-	1,113,872	1,113,872
DEFERRED OUTFLOWS OF RESOURCES															
Excess cost on refunding of debt	2,052	48,813	2,172	-	-	-	-	-	-	-	-	-	-	53,037	53,037
Pension deferrals	-	-	-	-	-	-	-	-	-	-	-	9,093	-	9,093	9,093
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,052	48,813	2,172	-	-	-	-	-	-	-	-	9,093	-	62,130	62,130
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 89,581	\$ 414,209	\$ 40,821	\$ 2,547	\$ 437,248	\$ -	\$ -	\$ -	\$ 34,051	\$ 7,172	\$ -	\$ 150,373	\$ -	\$ 1,176,002	\$ 1,176,002

* Eliminated in Combination

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

November 30, 2016

	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services				
LIABILITIES												
CURRENT LIABILITIES												
Accounts payable and accrued expenses	\$ 254	\$ 320	\$ 8	\$ 10	\$ 573	\$ -	\$ 14,707	\$ -	\$ -	\$ 4,372	\$ -	\$ 20,244
Member advances	791	-	-	-	-	-	-	-	202	-	-	993
Operating reserves	6,213	250	513	469	12,045	-	-	-	-	-	-	19,490
Current portion of long-term debt	4,610	21,385	3,760	-	9,950	-	-	-	-	-	-	39,705
Accrued interest payable	581	6,936	613	-	11,328	-	-	-	-	-	-	19,458
TOTAL CURRENT LIABILITIES	12,449	28,891	4,894	479	33,896	-	14,707	-	202	4,372	-	99,890
NON-CURRENT LIABILITIES												
Net pension liability	-	-	-	-	-	-	-	-	-	-	-	57,774
Operating reserves and other deposits	16,542	15,165	-	-	1,715	-	22,075	-	1,950	-	-	134,668
Interest rate swap liability	-	23,260	-	-	-	-	-	-	-	-	-	23,260
Long-term debt, net	28,793	333,801	34,516	-	351,582	-	-	-	-	-	-	748,692
TOTAL NON-CURRENT LIABILITIES	45,335	372,226	34,516	-	353,297	-	22,075	-	1,950	-	134,995	964,394
TOTAL LIABILITIES	57,784	401,117	39,410	479	387,193	-	36,782	-	2,152	139,367	-	1,064,284
DEFERRED INFLOWS OF RESOURCES												
Regulatory credits	19,758	3,941	1,023	2,182	42,780	-	-	-	323	2,835	-	72,842
Pension deferrals	-	-	-	-	-	-	-	-	-	-	-	6,599
TOTAL DEFERRED INFLOWS OF RESOURCES	19,758	3,941	1,023	2,182	42,780	-	-	-	323	2,835	-	79,441
NET POSITION												
Net investment in capital assets	(5,471)	(23,283)	(4,733)	-	(17,675)	-	-	-	-	-	-	(51,162)
Restricted	6,492	34,973	2,938	-	15,390	-	-	-	-	(547)	-	59,246
Unrestricted	11,018	(2,539)	2,183	(114)	9,560	-	(2,731)	-	4,697	2,119	-	24,193
TOTAL NET POSITION	12,039	9,151	388	(114)	7,275	-	(2,731)	-	4,697	1,572	-	32,277
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 89,581	\$ 414,209	\$ 40,821	\$ 2,547	\$ 437,248	\$ -	\$ 34,051	\$ -	\$ 7,172	\$ 150,373	\$ -	\$ 1,176,002

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 Five Months Ended November 30, 2016

	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined	
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services					
OPERATING REVENUES													
Participants	\$ 3,771	\$ 16,304	\$ 3,079	\$ 1,171	\$ 14,500	\$ -	\$ 96,737	\$ 6,370	\$ 147	\$ 142,079			
Other Third-Party	12,164	4,838	123	427	8,314	-	33,016	-	-	58,882			
TOTAL OPERATING REVENUES	15,935	21,142	3,202	1,598	22,814	-	129,753	6,370	147	200,961			
OPERATING EXPENSES													
Purchased power	-	-	-	-	1,334	-	93,496	-	-	94,830			
Operations	6,067	1,305	587	612	7,933	-	2,284	3,679	15	22,482			
Transmission	289	336	43	77	227	-	38,498	2	-	39,472			
Depreciation	1,381	3,992	922	75	6,086	5	-	28	122	12,811			
Maintenance	1,751	1,936	269	485	1,862	-	-	20	-	6,323			
Administrative and general	1,775	1,276	205	218	1,729	-	-	2,732	(607)	7,328			
Intercompany (sales) purchases, net*	(213)	86	21	44	96	-	-	(34)	-	-			
TOTAL OPERATING EXPENSES	11,250	8,931	2,047	1,511	19,267	5	134,278	6,427	(470)	183,246			
NET OPERATING REVENUES	4,685	12,211	1,155	87	3,547	(5)	(4,525)	(57)	617	17,715			
OTHER (EXPENSES) REVENUES													
Interest expense	(563)	(10,670)	(786)	-	(6,633)	-	-	-	-	(18,652)			
Interest income	68	(202)	(61)	-	70	-	87	16	(98)	(120)			
Other	290	27	530	-	6,285	-	-	-	197	7,329			
TOTAL OTHER EXPENSES	(205)	(10,845)	(317)	-	(278)	-	87	16	99	(11,445)			
FUTURE RECOVERABLE AMOUNTS													
	(586)	(1,443)	(669)	-	1,039	5	-	-	-	(1,654)			
REFUNDS TO PARTICIPANTS													
INCREASE (DECREASE) IN NET POSITION	(4)	(8)	13	(19)	-	-	(277)	112	(121)	(304)			
	3,890	(85)	182	68	4,308	-	(4,715)	71	595	4,314			
NET POSITION, Beginning of year	8,149	9,236	206	(182)	2,967	-	1,984	4,626	977	27,963			
NET POSITION, Period ended	\$ 12,039	\$ 9,151	\$ 388	\$ (114)	\$ 7,275	\$ -	\$ (2,731)	\$ 4,697	\$ 1,572	\$ 32,277			

* Eliminated in Combination



Commission Staff Report

January 3, 2017

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: December 2016 Financial Report (Unaudited)

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth <i>S.A.</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 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>

RECOMMENDATION:

Approval by all members.

NOTICE:

The disbursements of the Northern California Power Agency for the month reported herein, will be approved at the January 19, 2017 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 December 2016 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 December 2016

Operations:

Geothermal	\$	1,240,473
Hydroelectric		3,683,348
CT#1 Combustion Turbines		123,679
CT#2 STIG		494,122
Lodi Energy Center		2,661,683
NCPA Operating		<u>24,217,317</u>
Total	\$	<u>32,420,622</u>

NORTHERN CALIFORNIA POWER AGENCY
 REPORT OF BUDGET VS. ACTUAL COST
 FOR THE PERIOD ENDED DECEMBER 31, 2016

PERCENT OF YEAR ELAPSED 50%

	This Month	Actual Year To-Date	FY 2017 Budget	% Used	
<u>GENERATION RESOURCES</u>					
<u>NCPA Plants</u>					
Hydroelectric					
Other Plant Cost	\$ 1,097,448	\$ 6,020,356	\$ 13,601,891	44%	
Debt Service (Net)	3,187,715	19,126,287	38,252,575	50%	
Annual Budget Cost	4,285,163	25,146,643	51,854,466	48%	
<u>Geothermal</u>					
Other Plant Cost	2,045,030	10,875,232	28,035,560	39%	
Debt Service (Net)	375,667	3,504,727	5,109,745	69%	(a)
Annual Budget Cost	2,420,697	14,379,959	33,145,305	43%	
<u>Combustion Turbine No. 1</u>					
	252,725	1,688,028	2,648,330	64%	(b)
<u>Combustion Turbine No. 2 (Stig)</u>					
Fuel and Pipeline Transport Charges	58,256	417,704	936,070	45%	
Other Plant Cost	138,141	894,025	2,025,600	44%	
Debt Service (Net)	468,797	2,812,784	5,625,568	50%	
Annual Budget Cost	665,194	4,124,513	8,587,238	48%	
<u>Lodi Energy Center</u>					
Fuel	1,034,322	5,798,612	44,100,578	13%	
Other Plant Cost	5,480,505	9,617,719	22,453,402	43%	
Debt Service (Net)	2,203,104	13,203,574	26,437,261	50%	
Annual Budget Cost	8,717,931	28,619,905	92,991,241	31%	
<u>Member Resources - Energy</u>					
	3,854,527	22,239,658	45,637,694	49%	
<u>Member Resources - Natural Gas</u>					
	487,912	2,771,683	4,877,728	57%	(c)
<u>Western Resources</u>					
	1,133,093	11,849,292	30,288,301	39%	
<u>Market Power Purchases</u>					
	3,487,071	15,679,415	39,302,363	40%	
<u>Load Aggregation Costs - CAISO</u>					
	19,938,452	86,099,411	240,128,621	36%	
<u>Net GHG Obligations</u>					
	-	534,660	2,539,910	21%	
	45,242,765	213,133,167	552,001,197	39%	
<u>TRANSMISSION</u>					
<u>Independent System Operator</u>					
Grid Management Charge	522,868	1,835,480	3,799,908	48%	
Wheeling Access Charge	5,736,133	38,537,685	74,972,258	51%	
Ancillary Services	184,131	1,067,428	1,421,202	75%	(d)
Other Charges	1,451,299	4,419,940	807,975	547%	(e)
	7,894,431	45,860,533	81,001,343	57%	

NORTHERN CALIFORNIA POWER AGENCY
 REPORT OF BUDGET VS. ACTUAL COST
 FOR THE PERIOD ENDED DECEMBER 31, 2016

PERCENT OF YEAR ELAPSED 50%

	This Month	Actual Year To-Date	FY 2017 Budget	% Used
MANAGEMENT SERVICES				
Legislative & Regulatory				
Legislative Representation	111,096	719,981	1,896,810	38%
Regulatory Representation	39,959	402,538	794,328	51%
Western Representation	51,773	278,141	816,695	34%
Member Services	28,471	178,830	432,215	41%
Judicial Action	158,415	285,567	625,000	46%
Power Management				
System Control & Load Dispatch	405,439	2,501,816	5,621,941	45%
Forecasting, Planning, Prescheduling & Trading	176,177	1,041,963	2,554,949	41%
Industry Restructuring & Regulatory Affairs	25,940	148,811	414,128	36%
Contract Admin, Interconnection Svcs & External Affairs	58,673	408,610	1,136,523	36%
Green Power Project	139	962	17,782	5%
Gas Purchase Program	4,585	29,339	86,550	34%
Market Purchase Project	6,128	39,767	127,856	31%
Energy Risk Management	(12,761)	53,105	211,925	25%
Settlements	38,008	245,727	861,558	29%
Integrated Systems Support	2,894	77,182	310,532	25%
Participant Pass Through Costs	48,022	647,825	1,417,039	46%
Support Services	6,304	26,013	-	N/A
	1,149,262	7,086,177	17,325,831	41%
TOTAL ANNUAL BUDGET COST	54,286,458	266,079,877	650,328,371	41%
LESS: THIRD PARTY REVENUE				
Plant ISO Energy Sales	6,581,447	30,601,621	118,942,685	26% (f)
Load Aggregation Energy Sales	13,682,739	53,108,656	184,116,660	29% (g)
Ancillary Services Sales	331,249	1,998,967	3,790,032	53%
Other ISO Revenue	1,743,208	6,642,369	-	N/A
Transmission Sales	9,198	55,188	110,376	50%
Western Credits, Interest and Other Income	1,182,555	11,553,299	14,810,642	78%
	23,530,396	103,960,100	321,770,395	32%
NET ANNUAL BUDGET COST TO PARTICIPANTS	\$ 30,756,062	\$ 162,119,777	\$ 328,557,976	49%

- (a) Increase due to unbudgeted costs related to the issuance of Geothermal 2016A bonds.
- (b) Increase in costs due to greater than projected MWhs of generation. CT1 is at 236% of budgeted MWhs at 12/31/16. Fuel costs, CAISO charges, and other variable costs have all increased as a result of increased generation.
- (c) Member Resources Natural Gas increased due to costs related to Lodi gas hedging contracts.
- (d) Ancillary Services variance due to higher than budgeted price per MWh.
- (e) The large budget to actual variance is caused by unbudgeted CAISO costs including imbalance costs, neutrality allocations, congestion offsets, and other cost allocations. These costs are not budgeted due to their unpredictable nature.
- (f) Variance due to lower than anticipated ISO energy sales for the Lodi Energy Center (LEC). Power values in the CAISO markets remain low. In addition, LEC was offline from 10/20/16 to 10/31/2016 due to a failed emissions test. As a result, LEC is at 22% of budgeted generation at 12/31/16.
- (g) Market prices down due to increased hydro and solar generation availability in the CAISO markets.

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	December 31,	
	2016	2015
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 34,447	\$ 44,627
Investments	29,846	29,548
Accounts receivable		
Participants	11	-
Other	995	919
Interest receivable	176	155
Inventory and supplies	9,512	8,387
Prepaid expenses	1,189	2,798
TOTAL CURRENT ASSETS	<u>76,176</u>	<u>86,434</u>
RESTRICTED ASSETS		
Cash and cash equivalents	74,000	58,719
Investments	137,716	141,255
Interest receivable	395	324
TOTAL RESTRICTED ASSETS	<u>212,111</u>	<u>200,298</u>
ELECTRIC PLANT		
Electric plant in service	1,501,309	1,500,807
Less: accumulated depreciation	(927,337)	(896,741)
	<u>573,972</u>	<u>604,066</u>
Construction work-in-progress	265	100
TOTAL ELECTRIC PLANT	<u>574,237</u>	<u>604,166</u>
OTHER ASSETS		
Regulatory assets	241,539	249,734
Unused vendor credits	44	-
TOTAL ASSETS	<u>1,104,107</u>	<u>1,140,632</u>
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	52,364	58,231
Pension deferrals	9,093	5,310
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>61,457</u>	<u>63,541</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,165,564</u>	<u>\$ 1,204,173</u>

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	December 31,	
	2016	2015
	(in thousands)	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 20,784	\$ 19,568
Member advances	993	993
Operating reserves	19,648	23,074
Current portion of long-term debt	39,705	37,390
Accrued interest payable	9,738	10,539
TOTAL CURRENT LIABILITIES	<u>90,868</u>	<u>91,564</u>
NON-CURRENT LIABILITIES		
Net pension liability	57,774	57,260
Operating reserves and other deposits	140,052	129,079
Interest rate swap liability	17,490	19,654
Long-term debt, net	748,515	788,309
TOTAL NON-CURRENT LIABILITIES	<u>963,831</u>	<u>994,302</u>
TOTAL LIABILITIES	<u>1,054,699</u>	<u>1,085,866</u>
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	72,782	74,564
Pension deferrals	6,599	4,947
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>79,381</u>	<u>79,511</u>
NET POSITION		
Net investment in capital assets	(54,438)	(53,554)
Restricted	63,723	59,467
Unrestricted	22,199	32,883
TOTAL NET POSITION	<u>31,484</u>	<u>38,796</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 1,165,564</u>	<u>\$ 1,204,173</u>

COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	Six Months Ended December 31,	
	2016	2015
	(in thousands)	
OPERATING REVENUES		
Participants	\$ 173,681	\$ 167,543
Other Third-Party	67,588	82,684
TOTAL OPERATING REVENUES	241,269	250,227
OPERATING EXPENSES		
Purchased power	109,381	107,486
Operations	26,851	38,618
Transmission	46,766	40,420
Depreciation	15,373	15,358
Maintenance	7,398	9,940
Administrative and general	8,927	8,539
TOTAL OPERATING EXPENSES	214,696	220,361
NET OPERATING REVENUES	26,573	29,866
OTHER (EXPENSES) REVENUES		
Interest expense	(16,338)	(24,834)
Interest income	101	1,051
Other	7,812	3,348
TOTAL OTHER EXPENSES	(8,425)	(20,435)
FUTURE RECOVERABLE AMOUNTS	(7,980)	75
REFUNDS TO PARTICIPANTS	(6,647)	(698)
INCREASE IN NET POSITION	3,521	8,806
NET POSITION, Beginning of year	27,963	29,990
NET POSITION, Period ended	\$ 31,484	\$ 38,796

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

December 31, 2016

ASSETS	GENERATING & TRANSMISSION RESOURCES										Associated Member Services	Other Agency	Combined	
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission							
CURRENT ASSETS														
Cash and cash equivalents	\$ 1	\$ -	\$ 1	\$ 1	\$ 71	\$ -	\$ -	\$ -	\$ 48	\$ -	\$ 34,325	\$ 29,846	\$ 34,447	\$ 29,846
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Participants	-	-	-	4	-	-	-	-	-	991	-	-	11	995
Other	-	-	-	-	-	-	-	-	-	59	-	-	94	176
Interest receivable	4,309	1,079	642	1,402	2,080	-	-	-	-	-	-	-	-	9,512
Inventory and supplies	458	-	-	-	-	-	-	-	-	-	-	-	718	1,189
Prepaid expenses	17,504	11,570	2,167	(894)	11,837	4,601	-	-	4,601	11,784	(58,569)	-	-	-
Due from Agency and other programs*	22,272	12,649	2,810	513	14,011	4,662	-	-	4,662	12,834	6,425	-	76,176	76,176
TOTAL CURRENT ASSETS														
RESTRICTED ASSETS														
Cash and cash equivalents	7,860	20,562	470	-	12,681	-	-	-	-	3,352	-	-	29,075	74,000
Investments	17,202	28,328	3,535	-	17,603	-	-	-	-	18,686	-	-	52,362	137,716
Interest receivable	33	111	16	-	21	-	-	-	-	-	-	-	214	395
TOTAL RESTRICTED ASSETS	25,095	49,001	4,021	-	30,305	-	-	-	-	22,038	-	-	81,651	212,111
ELECTRIC PLANT														
Electric plant in service	568,721	394,211	64,826	36,245	423,630	7,736	-	-	663	-	5,277	(2,596)	1,501,309	(927,337)
Less: accumulated depreciation	(529,998)	(247,772)	(45,050)	(34,206)	(59,637)	(7,736)	-	-	(342)	-	-	-	573,972	573,972
Construction work-in-progress	38,723	146,439	19,776	2,039	363,993	-	-	-	321	-	2,681	-	265	265
TOTAL ELECTRIC PLANT	140	38,863	146,439	19,776	364,095	-	-	-	321	-	2,704	-	574,237	574,237
OTHER ASSETS														
Regulatory assets	1,183	151,311	12,274	-	20,405	-	-	-	-	-	-	-	56,366	241,539
Unused vendor credits	44	-	-	-	-	-	-	-	-	-	-	-	-	44
TOTAL ASSETS	87,457	359,400	38,881	2,552	428,816	-	-	-	4,983	34,872	147,146	-	1,104,107	1,104,107
DEFERRED OUTFLOWS OF RESOURCES														
Excess cost on refunding of debt	2,052	48,157	2,155	-	-	-	-	-	-	-	-	-	52,364	52,364
Pension deferrals	-	-	-	-	-	-	-	-	-	-	-	-	9,093	9,093
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,052	48,157	2,155	-	-	-	-	-	-	-	-	-	61,457	61,457
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 89,509	\$ 407,557	\$ 41,036	\$ 2,552	\$ 428,816	\$ -	\$ -	\$ -	\$ 4,983	\$ 34,872	\$ 156,239	\$ -	\$ 1,165,564	\$ 1,165,564

* Eliminated in Combination

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

December 31, 2016

	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined	
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services					
LIABILITIES													
CURRENT LIABILITIES													
Accounts payable and accrued expenses	\$ 166	\$ 378	\$ 15	\$ 18	\$ 1,050	\$ -	\$ 13,866	\$ -	\$ 5,291	\$ 20,784			
Member advances	791	-	-	-	-	-	-	202	-	993			
Operating reserves	6,213	250	513	513	12,159	-	-	-	-	19,648			
Current portion of long-term debt	4,610	21,385	3,760	9,950	9,950	-	-	-	-	39,705			
Accrued interest payable	609	7,009	769	-	1,351	-	-	-	-	9,738			
TOTAL CURRENT LIABILITIES	12,389	29,022	5,057	551	24,510	-	13,866	202	5,291	90,868			
NON-CURRENT LIABILITIES													
Net pension liability	-	-	-	-	-	-	-	-	-	-			
Operating reserves and other deposits	16,710	15,272	-	-	1,715	-	22,096	1,950	82,309	57,774			
Interest rate swap liability	-	17,490	-	-	-	-	-	-	-	17,490			
Long-term debt, net	28,800	333,674	34,500	-	351,541	-	-	-	-	748,515			
TOTAL NON-CURRENT LIABILITIES	45,510	366,436	34,500	-	353,256	-	22,096	1,950	140,083	963,831			
TOTAL LIABILITIES	57,899	395,458	39,557	551	377,766	-	35,962	2,152	145,374	1,054,699			
DEFERRED INFLOWS OF RESOURCES													
Regulatory credits	19,689	3,934	1,017	2,167	42,843	-	-	321	2,811	72,782			
Pension deferrals	-	-	-	-	-	-	-	-	6,599	6,599			
TOTAL DEFERRED INFLOWS OF RESOURCES	19,689	3,934	1,017	2,167	42,843	-	-	321	9,410	79,381			
NET POSITION													
Net investment in capital assets	(5,815)	(25,070)	(5,045)	-	(18,508)	-	-	-	-	(54,438)			
Restricted	6,899	37,970	3,252	-	16,259	-	-	-	(657)	63,723			
Unrestricted	10,837	(4,735)	2,255	(146)	10,456	-	(1,090)	2,510	2,112	22,199			
TOTAL NET POSITION	11,921	8,165	462	(146)	8,207	-	(1,090)	2,510	1,455	31,484			
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 89,509	\$ 407,557	\$ 41,036	\$ 2,552	\$ 428,816	\$ -	\$ 34,872	\$ 4,983	\$ 156,239	\$ 1,165,564			

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 Six Months Ended December 31, 2016

	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined	
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services					
OPERATING REVENUES													
Participants	\$ 4,027	\$ 19,528	\$ 3,682	\$ 1,396	\$ 18,660	\$ -	\$ -	\$ 118,437	\$ 7,787	\$ 164	\$ -	\$ 173,681	
Other Third-Party	14,928	7,505	124	443	9,724	-	-	34,864	-	-	-	67,588	
TOTAL OPERATING REVENUES	18,955	27,033	3,806	1,839	28,384	-	-	153,301	7,787	164	-	241,269	
OPERATING EXPENSES													
Purchased power	-	-	-	-	1,608	-	-	107,773	-	-	-	109,381	
Operations	7,321	1,631	707	694	9,429	-	-	2,772	4,279	18	-	26,851	
Transmission	330	564	46	82	249	-	-	45,493	2	-	-	46,766	
Depreciation	1,899	4,792	1,106	90	7,303	5	-	-	31	147	-	15,373	
Maintenance	2,175	2,218	-302	576	2,107	-	-	-	-20	-	-	7,398	
Administrative and general	2,192	1,436	256	332	2,115	-	-	-	3,054	(458)	-	8,927	
Intercompany (sales) purchases, net*	(265)	91	26	62	125	-	-	-	(39)	-	-	-	
TOTAL OPERATING EXPENSES	13,652	10,732	2,443	1,836	22,936	5	-	156,038	7,347	(293)	-	214,696	
NET OPERATING REVENUES	5,303	16,301	1,363	3	5,448	(5)	-	(2,737)	440	457	-	26,573	
OTHER (EXPENSES) REVENUES													
Interest expense	(598)	(6,835)	(943)	-	(7,962)	-	-	-	-	-	-	(16,338)	
Interest income	91	(163)	(58)	-	88	-	-	108	16	19	-	101	
Other	290	27	600	-	6,696	-	-	-	-	199	-	7,812	
TOTAL OTHER EXPENSES	(217)	(6,971)	(401)	-	(1,178)	-	-	108	16	218	-	(8,425)	
FUTURE RECOVERABLE AMOUNTS	(728)	(7,701)	(803)	-	1,247	5	-	-	-	-	-	(7,980)	
REFUNDS TO PARTICIPANTS	(586)	(2,700)	97	33	(277)	-	-	(445)	(2,572)	(197)	-	(6,647)	
INCREASE (DECREASE) IN NET POSITION	3,772	(1,071)	256	36	5,240	-	-	(3,074)	(2,116)	478	-	3,521	
NET POSITION, Beginning of year	8,149	9,236	206	(182)	2,967	-	-	1,984	4,626	977	-	27,963	
NET POSITION, Period ended	\$ 11,921	\$ 8,165	\$ 462	\$ (146)	\$ 8,207	\$ -	\$ -	\$ (1,090)	\$ 2,510	\$ 1,455	\$ -	\$ 31,484	

* Eliminated in Combination



Commission Staff Report

January 11, 2017

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: Treasurer's Report for Month Ended November 30, 2016

AGENDA CATEGORY: Consent

FROM: Sondra Ainsworth <i>S.A.</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 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>

RECOMMENDATION:

Approval by all members.

BACKGROUND:

In compliance with Agency 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 \$26,459,308 of which approximately \$163,913 was applicable to Special and Reserve Fund Deposits, \$3,365,324 to Debt Service and \$22,930,071 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 \$251,891,288 at month end. The current market value of the portfolio totaled \$250,275,746.

The overall portfolio had a combined weighted average interest rate of 0.955% with a bond equivalent yield (yield to maturity) of 0.969%. Investments with a maturity greater than one year totaled \$148,092,000. November maturities totaled \$8 million and monthly receipts totaled \$36 million. During the month \$14 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 increased by 17 basis points (from 0.32% to 0.49%) and rates on one year T-Bills increased by 12 basis points (from 0.67% to 0.79%).

To the best of my knowledge and belief, all securities held by NCPA as of November 30, 2016 are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

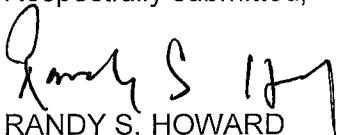
FISCAL IMPACT:

This report has no direct budget impact to 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

Attachment

SR: 105:17

NORTHERN CALIFORNIA POWER AGENCY

TREASURER'S REPORT

NOVEMBER 30, 2016

TABLE OF CONTENTS

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CASH & INVESTMENT BALANCE	1
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DETAIL REPORT OF INVESTMENTS	APPENDIX

Northern California Power Agency
Treasurer's Report
Cash & Investment Balance
November 30, 2016

	CASH	INVESTMENTS	TOTAL	PERCENT
NCPA FUNDS				
Operating	\$ 21,876,148	\$ 66,043,848	87,919,996	31.59%
Special Deposits	1,006,358	1	1,006,359	0.36%
Construction	47,565	4,851,508	4,899,073	1.76%
Debt Service	3,365,324	31,606,432	34,971,756	12.56%
Special & Reserve	163,913	149,389,499	149,553,412	53.73%
	<u>\$ 26,459,308</u>	<u>\$ 251,891,288</u>	<u>\$ 278,350,596</u>	<u>100.00%</u>

Portfolio Investments at Market Value

\$ 250,275,746

NOTE A -Investment amounts shown at book carrying value.

Northern California Power Agency
Treasurer's Report
Cash Activity Summary
November 30, 2016

	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	\$ 36,025,018	\$ 142,804	\$ 3,659,162	\$ (14,970,453)	\$ (3,532,191)	\$ (17,933,942)	\$ 3,390,398
Special Deposits	519	4	-	(8,557,080)	-	8,555,677	(880)
Construction	-	16,229	-	-	-	-	16,229
Debt Service	-	66	4,401,000	-	(10,185,031)	9,148,009	3,364,044
Special & Reserve	44,396	266,883	-	-	(521,273)	230,256	20,262
	<u>\$ 36,069,933</u>	<u>\$ 425,986</u>	<u>\$ 8,060,162</u>	<u>\$ (23,527,533)</u>	<u>\$ (14,238,495)</u>	<u>\$ 0</u>	<u>\$ 6,790,053</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
November 30, 2016**

	PURCHASED	SOLD OR MATURED	(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS	
					TRANSFERS	INCREASE / (DECREASE)
NCPA FUNDS						
Operating	\$ 3,532,191	\$ (3,659,162)	\$ (3,102)	\$ -	\$ -	\$ (130,073)
Special Deposits	-	-	-	-	-	-
Construction	-	-	(704)	-	-	(704)
Debt Service	10,185,031	(4,401,000)	6,492	-	-	5,790,523
Special & Reserve	521,273	-	(3,431)	-	-	517,842
	<u>\$ 14,238,495</u>	<u>\$ (8,060,162)</u>	<u>\$ (745)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,177,588</u>

Less Non- Cash Activity

Disc/(Prem) Amortization & Gain/(Loss) on Sale

745

Net Change in Investment --Before Non-Cash Activity

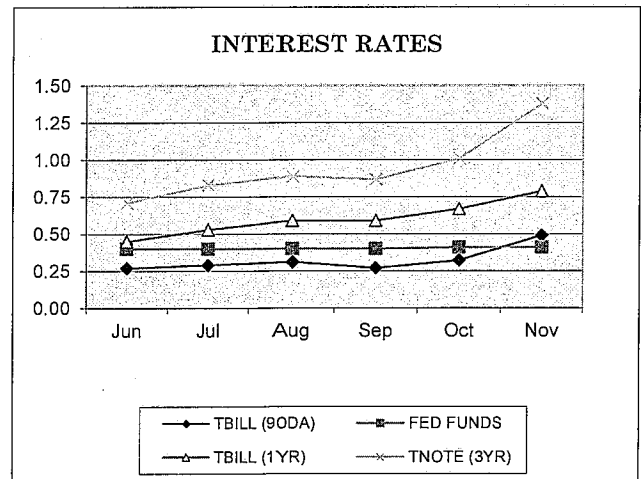
\$ 6,178,333

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency
Interest Rate/Yield Analysis
November 30, 2016**

	<u>WEIGHTED AVERAGE INTEREST RATE</u>	<u>BOND EQUIVALENT YIELD</u>
OVERALL COMBINED	<u>0.955%</u>	<u>0.969%</u>
<u>OPERATING FUNDS:</u>	1.018%	0.980%
<u>PROJECTS:</u>		
Geothermal	1.171%	1.180%
Capital Facilities	1.206%	1.194%
Hydroelectric	1.103%	1.079%
Lodi Energy Center	0.687%	0.651%

KEY INTEREST RATES		
	<u>CURRENT</u>	<u>PRIOR YEAR</u>
Fed Fds (Ovrnight)	0.41%	0.12%
T-Bills (90da.)	0.49%	0.17%
Agency Disc (90da.)	0.51%	0.23%
T-Bills (1yr.)	0.79%	0.51%
Agency Disc (1yr.)	0.71%	0.52%
T-Notes (3yr.)	1.38%	1.24%



**Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
November 30, 2016**

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	\$ 10,537	\$ 12,219	\$ 4,784	\$ 7,270	\$ -	\$ 142,721	\$ 5,371	\$ 182,902	66.86%
US Bank Trust Money Market	13,165							13,165	4.81%
Commercial Paper	5,000							5,000	1.83%
Investment Trusts (LAIF)	50,248							50,248	18.37%
U.S.Treasury Market Acct. *	22,243							22,243	8.13%
U.S.Treasury Bill									0.00%
Certificates of Deposit		10						10	0.00%
Total Dollars	\$ 101,193	\$ 12,229	\$ 4,784	\$ 7,270	\$ 0	\$ 142,721	\$ 5,371	\$ 273,568	100.00%
Total Percents	36.99%	4.47%	1.75%	2.66%	0.00%	52.17%	1.96%	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
11/30/2016

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	5,000,000	0.100	11/26/2014	5,000,000		1	0.100	5,000,000	SYS70101	70101	5,000,000
Local Agency Investm	LAIF	14,913,462	0.602	07/01/2013	14,913,462		1	0.602	14,913,462	SYS70000	70000	14,913,462
Union Bank of Calito	UBOC	58,934	0.002	07/01/2013	58,934		1	0.002	58,934	SYS70014	70014	58,934
US Bank	USB	21,876,146	0.001	06/30/2013	21,876,146		1	0.001	21,876,146	SYS70050	70050	21,876,146
US Bank	USB	10,000	0.050	10/07/2016	10,000	01/07/2017	37	0.050	10,000	SYS30301	30301	10,000
Federal Farm Credit	UBOC	3,626,000	1.290	12/21/2015	3,624,948	11/19/2018	718	1.300	3,629,517	3133EFPJ0	26280	3,625,290
Federal Home Loan Mt	UBOC	9,870,000	1.750	06/09/2015	9,983,900	05/30/2019	910	1.450	9,971,059	3137EADG1	26231	9,941,556
Federal Home Loan Ba	UBOC	7,785,000	1.400	07/19/2016	7,781,108	01/19/2021	1,510	1.411	7,626,731	3130A8PB0	26355	7,781,425
Federal Home Loan Mt	UBOC	3,500,000	1.500	11/23/2016	3,500,000	08/23/2021	1,726	1.500	3,418,695	3134GAVH4	26385	3,500,000
Fund Total and Average		\$ 66,639,542	0.716		\$ 66,748,488		442	0.673	\$ 66,504,554			\$ 66,706,813

MPP GHG Auction Acct

Local Agency Investm		47,821	0.602	07/01/2013	47,821		1	0.602	47,821	SYS70045	70045	47,821
Fund Total and Average		\$ 47,821	0.603		\$ 47,821		1	0.603	\$ 47,821			\$ 47,821

SCPA Balancing Account

Local Agency Investm	LAIF	2,318,297	0.602	07/01/2013	2,318,297		1	0.602	2,318,297	SYS70022	70022	2,318,297
Union Bank of Calito	UBOC	89,153	0.005	07/01/2013	89,153		1	0.005	89,153	SYS70023	70023	89,153
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70058	70058	0
Federal Home Loan Ba	UBOC	4,510,000	1.000	04/27/2015	4,510,000	04/27/2018	512	1.000	4,492,456	3130A55T2	26223	4,510,000
Federal National Mtg	UBOC	3,962,000	1.625	12/18/2014	4,000,630	11/27/2018	726	1.369	3,997,103	3135GOYTT4	26187	3,991,492
Federal National Mtg	UBOC	5,098,000	1.350	04/28/2016	5,098,000	10/28/2019	1,061	1.350	5,069,757	3135GOJ95	26330	5,098,000
Federal National Mtg	UBOC	5,097,000	1.350	07/28/2016	5,097,000	07/28/2020	1,335	1.350	4,958,413	3136G3T39	26357	5,097,000
Fund Total and Average		\$ 21,074,450	1.239		\$ 21,113,080		826	1.191	\$ 20,925,179			\$ 21,093,942

General Operating Reserve

Local Agency Investm	LAIF	23,927,696	0.602	07/01/2013	23,927,696		1	0.602	23,927,696	SYS70000	70002	23,927,696
Union Bank of Calito	UBOC	155,980	0.002	07/01/2013	155,980		1	0.002	155,980	SYS70019	70019	155,980
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70051	70051	0
Federal National Mtg	UBOC	3,263,000	0.750	12/16/2014	3,261,466	04/20/2017	140	0.770	3,264,109	3135GOZB2	26186	3,262,747
Federal National Mtg	UBOC	5,970,000	1.625	12/23/2014	6,009,701	11/27/2018	726	1.450	6,022,894	3135GOYTT4	26188	5,990,103
Federal National Mtg	UBOC	4,982,000	1.750	08/28/2015	5,047,364	11/26/2019	1,090	1.430	5,024,247	3135GOYV2	26246	5,027,986
Federal Farm Credit	UBOC	4,285,000	1.440	07/20/2016	4,280,715	01/19/2021	1,510	1.463	4,181,260	3133EGMP7	26356	4,281,062
Federal Home Loan Ba	UBOC	16,720,000	1.400	07/19/2016	16,711,640	01/19/2021	1,510	1.411	16,380,082	3130A8PB0	26354	16,712,321

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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
Federal National Mfg	UBOC	5,162,000	1.625	05/25/2016	5,162,000	05/25/2021	1,636	1.625	5,037,647	3136G3NLS	26332	5,162,000
Federal National Mfg	UBOC	1,300,000	1.500	08/30/2016	1,300,000	05/28/2021	1,639	1.500	1,261,208	3136G33W3	26368	1,300,000
Federal Farm Credit	UBOC	10,629,000	1.690	06/02/2016	10,629,000	06/02/2021	1,644	1.690	10,434,170	3133EGDH5	26335	10,629,000
Fund Total and Average		\$ 76,394,676	1.220		\$ 76,485,562		916	1.190	\$ 75,689,293			\$ 76,448,895
GRAND TOTALS:		\$ 164,156,489	1.018		\$ 164,394,961		712	0.980	\$ 163,166,847.			\$ 164,297,471

*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 11/30/2016

- Investment #26223 FHLMC Callable on 4/27/2017 Only
- Investment #26330 FNMA Callable quarterly
- Investment #26332 FNMA Callable quarterly
- Investment #26335 FFCB Callable 6/2/17, then anytime
- Investment #26354 FHLB Callable anytime
- Investment #26355 FHLB Callable anytime
- Investment #26356 FFCB Callable anytime
- Investment #26357 FNMA Callable quarterly
- Investment #26368 FNMA Callable 2/28/17, then quarterly
- Investment #26385 FHLMC Callable quarterly



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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	USB	870,000	0.875	05/27/2016	871,305	05/24/2017	174	0.722	870,835	3130A1NN4	26334	870,632
Fund Total and Average		\$ 870,000	0.875		\$ 871,305		174	0.723	\$ 870,835			\$ 870,632

Geothermal Debt Service

Federal Home Loan Ba	USBT	303,000	0.400	07/28/2016	302,478	12/30/2016	29	0.406	302,955	313384V30	26347	302,902
Federal Home Loan Ba	USBT	303,000	0.300	08/29/2016	302,689	12/30/2016	29	0.304	302,955	313384V30	26360	302,927
Federal Home Loan Ba	USBT	386,000	0.260	10/31/2016	385,833	12/30/2016	29	0.263	385,942	313384V30	26377	385,919
Fund Total and Average		\$ 992,000	0.315		\$ 991,000		29	0.320	\$ 991,852			\$ 991,748

Geo 2012A Debt Service

Federal Home Loan Ba	USBT	123,000	0.255	10/03/2016	122,942	12/09/2016	8	0.258	122,995	313384S67	26370	122,993
Federal Home Loan Ba	USBT	124,000	0.400	07/28/2016	123,786	12/30/2016	29	0.406	123,981	313384V30	26348	123,960
Federal Home Loan Ba	USBT	124,000	0.300	08/29/2016	123,873	12/30/2016	29	0.304	123,981	313384V30	26361	123,970
Federal Home Loan Ba	USBT	123,000	0.260	10/31/2016	122,947	12/30/2016	29	0.263	122,982	313384V30	26378	122,974
Fund Total and Average		\$ 494,000	0.304		\$ 493,548		24	0.308	\$ 493,939			\$ 493,897

Geothermal Special Reserve

Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	YSY70032	70032	0
Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	YSY70015	70015	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	YSY70063	70063	0
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	725	1.150	1,490,460	3134G8KV0	26302	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		725	1.150	\$ 1,490,460			\$ 1,500,000

Geo Decommissioning Reserve

Local Agency Investm	LAIF	4,433,858	0.602	07/01/2013	4,433,858		1	0.602	4,433,858	YSY70027	70027	4,433,858
Union Bank of Califo	UBOC	35,580	0.002	07/01/2013	35,580		1	0.002	35,580	YSY70034	70034	35,580
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	YSY70059	70059	0
Federal Home Loan Mt	UBOC	865,000	0.625	12/20/2012	865,000	12/05/2016	4	0.624	865,026	3134G3Z37	25946	865,000
Federal National Mtg	UBOC	9,700,000	1.500	08/30/2016	9,700,000	05/28/2021	1,639	1.500	9,410,552	3136G3W3	26369	9,700,000
Fund Total and Average		\$ 15,034,438	1.182		\$ 15,034,438		1058	1.182	\$ 14,745,016			\$ 15,034,438

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GEO Debt Service Reserve 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
Federal Home Loan Mt	USBT	907,000	1.750	06/02/2015	920,886	05/30/2019	910	1.354	916,288	3137EADG1	26228	915,661
Federal Home Loan Mt	USBT	2,515,000	1.250	02/27/2015	2,483,839	10/02/2019	1,035	1.530	2,501,671	3137EADM8	26197	2,495,776
Fund Total and Average		\$ 3,422,000	1.384		\$ 3,404,725		1001	1.483	\$ 3,417,959			\$ 3,411,457

Geo 2012A DSR Account

Federal National Mtg	USBT	1,517,000	1.625	05/25/2016	1,517,000	05/25/2021	1,636	1.625	1,480,455	3136G3NL5	26333	1,517,000
Fund Total and Average		\$ 1,517,000	1.625		\$ 1,517,000		1636	1.625	\$ 1,480,455			\$ 1,517,000
GRAND TOTALS:		\$ 23,829,438	1.171		\$ 23,812,016		969	1.180	\$ 23,490,516.			\$ 23,819,172

*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 11/30/2016

- Investment #26302 FHLMC Callable quarterly
- Investment #26333 FNMA Callable quarterly
- Investment #26369 FNMA Callable 2/28/17, then quarterly



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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	2,563,349	0.602	07/01/2013	2,563,349		1	0.602	2,563,349	SYS70028	70028	2,563,349
Union Bank of Califo	UBOC	18,521	0.002	07/01/2013	18,521		1	0.002	18,521	SYS70031	70031	18,521
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70052	70052	0
Federal Home Loan Mt	UBOC	3,993,000	0.950	06/29/2016	3,993,000	06/29/2018	575	0.950	3,974,113	3134G9A80	26339	3,993,000
Federal Home Loan Mt	UBOC	3,221,000	1.150	02/29/2016	3,221,000	11/26/2018	725	1.150	3,200,514	3134G8KVO	26304	3,221,000
Federal National Mtg	UBOC	5,320,000	1.350	06/30/2016	5,320,000	12/30/2019	1,124	1.350	5,267,811	3136G3VH5	26340	5,320,000
Fund Total and Average		\$ 15,115,870	1.073		\$ 15,115,870		702	1.073	\$ 15,024,308			\$ 15,115,870

Hydro Initial Facilities

Federal National Mtg	USB	1,529,000	1.625	12/12/2014	1,539,244	11/27/2018	726	1.450	1,542,547	3135GOYT4	26189	1,534,147
Federal Farm Credit	USB	2,437,000	1.250	02/02/2016	2,450,501	01/22/2019	782	1.060	2,438,369	3133EFVQ7	26300	2,446,728
Fund Total and Average		\$ 3,966,000	1.395		\$ 3,989,745		760	1.210	\$ 3,980,936			\$ 3,980,875

Hydro Debt Service

Federal Home Loan Ba	USBT	2,939,000	0.255	10/03/2016	2,937,605	12/09/2016	8	0.258	2,938,882	313384S67	26371	2,938,833
Federal Home Loan Ba	USBT	2,957,000	0.400	07/28/2016	2,951,907	12/30/2016	29	0.406	2,956,556	313384V30	26346	2,956,047
Federal Home Loan Ba	USBT	2,941,000	0.300	08/29/2016	2,937,985	12/30/2016	29	0.304	2,940,559	313384V30	26362	2,940,289
Federal Home Loan Ba	USBT	2,939,000	0.260	10/31/2016	2,937,726	12/30/2016	29	0.263	2,938,559	313384V30	26379	2,938,364
Fund Total and Average		\$ 11,776,000	0.304		\$ 11,765,223		24	0.308	\$ 11,774,556			\$ 11,773,553

Hydro Debt Service Resrv 2010A

Federal Farm Credit	USB	5,528,000	1.750	08/28/2015	5,546,187	08/04/2020	1,342	1.680	5,501,908	3133EE5Z9	26243	5,541,548
Fund Total and Average		\$ 5,528,000	1.750		\$ 5,546,187		1342	1.680	\$ 5,501,908			\$ 5,541,548

Hydro 2012A Rebate Account

Federal Home Loan Mt	USB	651,000	1.000	02/09/2012	649,392	03/08/2017	97	1.050	651,840	3137EADCO	25853	650,915
Fund Total and Average		\$ 651,000	1.000		\$ 649,392		97	1.050	\$ 651,840			\$ 650,915

Hydro Special Reserve

Local Agency Investm	LAIF	0	0.377	07/01/2013	0		1	0.377	0	SYS70000	70003	0
Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYS70033	70033	0



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Hydro Special 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
Union Bank of Calif	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70016	70016	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70064	70064	0
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	725	1.150	1,490,460	3134G8KVO	26303	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		725	1.150	\$ 1,490,460			\$ 1,500,000

Hydro 2012 DSRA

Federal Farm Credit	USB	100,000	1.750	08/28/2015	100,329	08/04/2020	1,342	1.660	99,528	3133EE5Z9	26244	100,245
Federal National Mtg	USB	94,000	1.530	07/28/2016	94,000	07/28/2021	1,700	1.530	90,716	3136GS97	26359	94,000
Federal Home Loan Mt	USB	3,926,000	2.375	02/09/2012	3,926,232	01/13/2022	1,869	2.380	4,006,246	3137EADB2	25852	3,927,089
Fund Total and Average		\$ 4,122,000	2.341		\$ 4,120,561		1852	2.344	\$ 4,196,480			\$ 4,121,334
GRAND TOTALS:		\$ 42,658,870	1.103		\$ 42,686,978		706	1.079	\$ 42,620,498.			\$ 42,684,095

*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 11/30/2016
 Investment #26303 FHLMC Callable quarterly
 Investment #26339 FHLMC Callable quarterly
 Investment #26340 FNMA Callable quarterly
 Investment #26359 FNMA Callable 7/28/17, then quarterly



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Cap Facilities Debt Service

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equity Yield	Market Value	CUSIP	Investment #	Carrying Value
Federal Home Loan Ba	USBT	468,000	0.280	10/03/2016	467,581	01/26/2017	56	0.284	467,747	313385BH1	26372	467,796
Federal Home Loan Ba	USBT	470,000	0.399	08/29/2016	469,185	02/01/2017	62	0.406	469,629	313385BH8	26363	469,676
Federal Home Loan Ba	USBT	470,000	0.340	10/31/2016	469,587	02/01/2017	62	0.345	469,629	313385BH8	26380	469,725
Federal National Mtg	USBT	143,000	0.440	07/28/2016	142,671	02/01/2017	62	0.447	142,887	313589BH5	26349	142,892
Federal National Mtg	USBT	468,000	0.380	11/30/2016	467,689	02/01/2017	62	0.385	467,630	313589BH5	26386	467,694
Fund Total and Average		\$ 2,019,000	0.356		\$ 2,016,713		61	0.362	\$ 2,017,522			\$ 2,017,783

Cap. Fac. Debt Svc Reserve

Federal National Mtg	USB	71,000	1.530	07/28/2016	71,000	07/28/2021	1,700	1.530	68,519	3136G3S97	26358	71,000
Federal Home Loan Mt	USB	1,443,000	2.375	02/13/2012	1,447,430	01/13/2022	1,869	2.340	1,471,745	3137EADB2	25845	1,445,286
Fund Total and Average		\$ 1,514,000	2.335		\$ 1,518,430		1861	2.302	\$ 1,540,264			\$ 1,516,286
GRAND TOTALS:		\$ 3,533,000	1.206		\$ 3,535,143		833	1.194	\$ 3,557,786.			\$ 3,534,069

*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 11/30/2016 Investment #26358 FNMA Callable 7/28/17, then quarterly



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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 Investim		71,419	0.602	07/01/2013	71,419		1	0.602	71,419	SYS70046	70046	71,419
Fund Total and Average		\$ 71,419	0.603		\$ 71,419		1	0.603	\$ 71,419			\$ 71,419

LEC Construction Revolving

Local Agency Investim		1	0.254	07/01/2013	1		1	0.254		SYS70040	70040	1
Fund Total and Average		\$ 1	0.254		\$ 1		1	0.254	\$ 1			\$ 1

LEC Issue#1 2010A DS Fund

US Bank Trust	USB	2,080,917	0.100	07/01/2013	2,080,917		1	0.100	2,080,917	SYS79003	79003	2,080,917
Federal Home Loan Ba	USBT	694,000	0.370	07/28/2016	693,101	12/01/2016	0	0.375	693,879	313384R68	26350	694,000
Federal Home Loan Ba	USBT	695,000	0.309	08/29/2016	694,437	12/01/2016	0	0.314	694,878	313384R68	26364	695,000
Federal National Mtg	USBT	694,000	0.340	07/11/2016	693,063	12/01/2016	0	0.345	694,000	313568R64	26342	694,000
Fund Total and Average		\$ 4,163,917	0.220		\$ 4,161,518		0	0.223	\$ 4,163,674			\$ 4,163,917

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	4,278,984	0.100	07/01/2013	4,278,984		1	0.100	4,278,984	SYS79004	79004	4,278,984
Federal Home Loan Ba	USBT	726,000	0.370	07/28/2016	725,060	12/01/2016	0	0.375	725,873	313384R68	26351	726,000
Federal Home Loan Ba	USBT	725,000	0.310	08/29/2016	724,413	12/01/2016	0	0.314	724,873	313384R68	26365	725,000
Federal National Mtg	USBT	727,000	0.339	07/11/2016	726,018	12/01/2016	0	0.345	727,000	313568R64	26343	727,000
Fund Total and Average		\$ 6,456,984	0.181		\$ 6,454,475		1	0.183	\$ 6,456,730			\$ 6,456,984

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	1,302,816	0.100	07/01/2013	1,302,816		1	0.100	1,302,816	SYS79011	79011	1,302,816
Federal Home Loan Ba	USBT	435,000	0.370	07/28/2016	434,437	12/01/2016	0	0.375	434,924	313384R68	26352	435,000
Federal Home Loan Ba	USBT	434,000	0.309	08/29/2016	433,649	12/01/2016	0	0.314	433,924	313384R68	26366	434,000
Federal National Mtg	USBT	434,000	0.340	07/11/2016	433,414	12/01/2016	0	0.345	434,000	313568R64	26344	434,000
Fund Total and Average		\$ 2,605,816	0.220		\$ 2,604,316		0	0.223	\$ 2,605,664			\$ 2,605,816

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	2,056,732	0.100	07/01/2013	2,056,732		1	0.100	2,056,732	SYS79012	79012	2,056,732
Federal Home Loan Ba	USBT	349,000	0.370	07/28/2016	348,548	12/01/2016	0	0.375	348,939	313384R68	26353	349,000

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LEC Issue #2 2010B DS 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	348,000	0.308	08/29/2016	347,718	12/01/2016	0	0.314	347,939	313384R68	26367	348,000
Federal National Mtg	USBT	349,000	0.340	07/11/2016	348,529	12/01/2016	0	0.345	349,000	313588R64	26345	349,000
Fund Total and Average		\$ 3,102,732	0.181		\$ 3,101,527		1	0.183	\$ 3,102,610			\$ 3,102,732

LEC Issue #1 2010 DSR Fund

US Bank Trust	USB	95,275	0.100	07/01/2013	95,275		1	0.100	95,275	SYS79005	79005	95,275
Federal National Mtg	USB	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	270	0.977	4,171,001	3135GOMZ3	26136	4,170,448
Federal Farm Credit	USB	4,360,000	1.660	06/08/2016	4,360,000	05/25/2021	1,636	1.659	4,321,937	3133EG8Z7	26337	4,360,000
Fund Total and Average		\$ 8,625,275	1.263		\$ 8,627,235		957	1.313	\$ 8,588,213			\$ 8,625,723

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	2,263,222	0.100	07/01/2013	2,263,222		1	0.100	2,263,222	SYS79006	79006	2,263,222
Fund Total and Average		\$ 2,263,222	0.100		\$ 2,263,222		1	0.100	\$ 2,263,222			\$ 2,263,222

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,087,531	0.100	07/01/2013	1,087,531		1	0.100	1,087,531	SYS79013	79013	1,087,531
Fund Total and Average		\$ 1,087,531	0.100		\$ 1,087,531		1	0.100	\$ 1,087,531			\$ 1,087,531

LEC O & M Reserve

Local Agency Investm	UBOC	1,972,548	0.602	07/01/2013	1,972,548		1	0.602	1,972,548	SYS70047	70047	1,972,548
Union Bank of Calif	UBOC	8,533	0.002	07/18/2013	8,533		1	0.002	8,533	SYS70041	70041	8,533
Federal Home Loan Ba	UBOC	3,100,000	0.625	06/27/2016	3,099,380	06/27/2017	208	0.645	3,096,838	3130A8LC5	26338	3,099,645
Federal National Mtg	UBOC	2,933,000	1.875	08/28/2015	2,998,142	02/19/2019	810	1.220	2,973,299	3135G0ZA4	26248	2,974,553
Federal National Mtg	UBOC	3,000,000	1.300	06/30/2016	3,000,000	06/30/2020	1,307	1.300	2,925,960	3136G3UJ2	26341	3,000,000
Fund Total and Average		\$ 11,014,081	1.140		\$ 11,078,603		631	0.970	\$ 10,977,178			\$ 11,055,279
GRAND TOTALS:		\$ 39,390,978	0.687		\$ 39,449,847		387	0.651	\$ 39,316,242			\$ 39,432,624

*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 Trustees/ Custodian Statements or bid prices from the Wall Street Journal as of 11/30/2016
 Investment #26337 FFBC Callable 5/25/17, then anytime
 Investment #26341 FNMA Callable on 6/30/17 only



Commission Staff Report

January 11, 2017

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: Treasurer's Report for Month Ended December 31, 2016

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth <i>SA</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 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>

RECOMMENDATION:

Approval by all members.

BACKGROUND:

In compliance with Agency 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 \$46,147,014 of which approximately \$163,913 was applicable to Special and Reserve Fund Deposits, \$20,459,057 to Debt Service and \$25,524,044 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 \$229,655,546 at month end. The current market value of the portfolio totaled \$227,705,740.

The overall portfolio had a combined weighted average interest rate of 1.001% with a bond equivalent yield (yield to maturity) of 1.015%. Investments with a maturity greater than one year totaled \$148,092,000. December maturities totaled \$31 million and monthly receipts totaled \$35 million. During the month \$9 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 increased by 3 basis points (from 0.49% to 0.52%) and rates on one year T-Bills increased by 9 basis points (from 0.79% to 0.88%).

To the best of my knowledge and belief, all securities held by NCPA as of December 31, 2016 are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

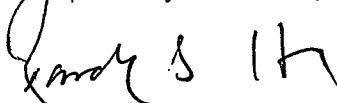
FISCAL IMPACT:

This report has no direct budget impact to 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

Attachment

NORTHERN CALIFORNIA POWER AGENCY

TREASURER'S REPORT

DECEMBER 31, 2016

TABLE OF CONTENTS

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DETAIL REPORT OF INVESTMENTS	APPENDIX

Northern California Power Agency
Treasurer's Report
Cash & Investment Balance
December 31, 2016

	CASH	INVESTMENTS	TOTAL	PERCENT
NCPA FUNDS				
Operating	\$ 24,465,975	\$ 60,891,234	85,357,209	30.95%
Special Deposits	1,010,504	1	1,010,505	0.37%
Construction	47,565	4,850,804	4,898,369	1.78%
Debt Service	20,459,057	9,201,044	29,660,101	10.75%
Special & Reserve	163,913	154,712,463	154,876,376	56.15%
	<u>\$ 46,147,014</u>	<u>\$ 229,655,546</u>	<u>\$ 275,802,560</u>	<u>100.00%</u>

Portfolio Investments at Market Value

\$ 227,705,740

NOTE A -Investment amounts shown at book carrying value.

Northern California Power Agency
Treasurer's Report
Cash Activity Summary
December 31, 2016

	RECEIPTS			EXPENDITURES			CASH
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	INCREASE / (DECREASE)
NCPA FUNDS							
Operating	\$ 32,297,120	\$ 523	\$ 5,149,532	\$ (14,841,240)	\$ (21)	\$ (20,016,087)	\$ 2,589,827
Special Deposits	2,712,188	4	-	(10,403,029)	-	7,694,983	4,146
Construction	-	-	-	-	-	-	-
Debt Service	-	169	25,132,814	(11,348,439)	(2,724,007)	6,033,196	17,093,733
Special & Reserve	-	176,863	865,000	(1,138,376)	(6,191,395)	6,287,908	-
	<u>\$ 35,009,308</u>	<u>\$ 177,559</u>	<u>\$ 31,147,346</u>	<u>\$ (37,731,084)</u>	<u>\$ (8,915,423)</u>	<u>\$ (0)</u>	<u>\$ 19,687,706</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
December 31, 2016**

	PURCHASED	SOLD OR MATURED	(NON-CASH)	(NON-CASH)	INVESTMENTS		
			DISC/(PREM) AMORT	GAIN/(LOSS) ON SALE	TRANSFERS	INCREASE / (DECREASE)	
NCPA FUNDS							
Operating	\$ 21	\$ (5,149,532)	\$ (3,102)	\$ -	\$ -	\$ -	\$ (5,152,613)
Special Deposits	-	-	-	-	-	-	-
Construction	-	-	(704)	-	-	-	(704)
Debt Service	2,724,007	(25,132,814)	3,420	-	-	-	(22,405,387)
Special & Reserve	6,191,395	(865,000)	(3,431)	-	-	-	5,322,964
	<u>\$ 8,915,423</u>	<u>\$ (31,147,346)</u>	<u>\$ (3,817)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(22,235,740)</u>

Less Non- Cash Activity

Disc/(Prem) Amortization & Gain/(Loss) on Sale 3,817

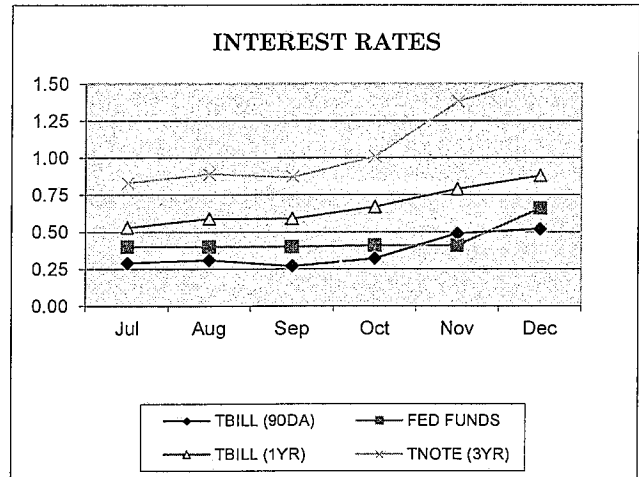
Net Change in Investment --Before Non-Cash Activity \$ (22,231,923)

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency
Interest Rate/Yield Analysis
December 31, 2016**

	WEIGHTED AVERAGE INTEREST RATE	BOND EQUIVALENT YIELD
OVERALL COMBINED	<u>1.001%</u>	<u>1.015%</u>
OPERATING FUNDS:	1.002%	0.965%
PROJECTS:		
Geothermal	1.200%	1.209%
Capital Facilities	1.205%	1.194%
Hydroelectric	1.402%	1.368%
Lodi Energy Center	0.811%	0.763%

KEY INTEREST RATES		
	<u>CURRENT</u>	<u>PRIOR YEAR</u>
Fed Fds (Ovrnight)	0.66%	0.36%
T-Bills (90da.)	0.52%	0.21%
Agency Disc (90da.)	0.50%	0.33%
T-Bills (1yr.)	0.88%	0.66%
Agency Disc (1yr.)	0.71%	0.65%
T-Notes (3yr.)	1.55%	1.35%



Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
December 31, 2016

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	\$ -	\$ 2,670	\$7,233	\$ 4,170	\$ -	\$ 142,721	\$ 5,371	\$ 162,165	63.86%
US Bank Trust Money Market	10,629							10,629	4.19%
Commercial Paper	5,000							5,000	1.97%
Investment Trusts (LAIF)	50,248							50,248	19.79%
U.S.Treasury Market Acct. *	25,874							25,874	10.19%
U.S.Treasury Bill									0.00%
Certificates of Deposit	10							10	0.00%
Total Dollars	\$ 91,761	\$2,670	\$7,233	\$4,170	\$0	\$142,721	\$5,371	\$ 253,926	100.00%
Total Percents	36.14%	1.05%	2.85%	1.64%	0.00%	56.21%	2.12%	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
12/31/2016

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	5,000,000	0.100	11/26/2014	5,000,000		1	0.100	5,000,000	SYST0101	70101	5,000,000
Local Agency Investm	LAIF	9,763,930	0.602	07/01/2013	9,763,930		1	0.602	9,763,930	SYST0000	70000	9,763,930
Union Bank of Califo	UBOC	58,954	0.002	07/01/2013	58,954		1	0.002	58,954	SYST0014	70014	58,954
US Bank	USB	24,465,973	0.001	06/30/2013	24,465,973		1	0.001	24,465,973	SYST0050	70050	24,465,973
US Bank	USB	10,000	0.050	10/07/2016	10,000	01/07/2017	6	0.050	10,000	SYSG0301	30301	10,000
Federal Farm Credit	UBOC	3,626,000	1.290	12/21/2015	3,624,948	11/19/2018	687	1.300	3,630,641	3133EFPJ0	26280	3,625,320
Federal Home Loan Mt	UBOC	9,870,000	1.750	06/09/2015	9,983,900	05/30/2019	879	1.450	9,962,975	3137EADG1	26231	9,939,168
Federal Home Loan Ba	UBOC	7,785,000	1.400	07/19/2016	7,781,108	01/19/2021	1,479	1.411	7,597,148	3130A8P80	26355	7,781,497
Federal Home Loan Mt	UBOC	3,500,000	1.500	11/23/2016	3,500,000	08/23/2021	1,695	1.500	3,409,000	3134GAVH4	26385	3,500,000
Fund Total and Average		\$ 64,079,857	0.696		\$ 64,188,813		448	0.652	\$ 63,898,621			\$ 64,144,842

MPP GHG Auction Acct

Local Agency Investm		47,821	0.602	07/01/2013	47,821		1	0.602	47,821	SYST0045	70045	47,821
Fund Total and Average		\$ 47,821	0.603		\$ 47,821		1	0.603	\$ 47,821			\$ 47,821

SCPA Balancing Account

Local Agency Investm	LAIF	2,318,297	0.602	07/01/2013	2,318,297		1	0.602	2,318,297	SYST0022	70022	2,318,297
Union Bank of Califo	UBOC	89,153	0.005	07/01/2013	89,153		1	0.005	89,153	SYST0023	70023	89,153
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST0058	70058	0
Federal Home Loan Ba	UBOC	4,510,000	1.000	04/27/2015	4,510,000	04/27/2018	481	1.000	4,491,509	3130A5T2	26223	4,510,000
Federal National Mtg	UBOC	3,962,000	1.625	12/18/2014	4,000,630	11/27/2018	695	1.369	3,991,873	3135GOYT4	26187	3,980,675
Federal National Mtg	UBOC	5,098,000	1.350	04/28/2016	5,098,000	10/28/2019	1,030	1.350	5,056,298	3135GOJ95	26330	5,098,000
Federal National Mtg	UBOC	5,097,000	1.350	07/28/2016	5,097,000	07/28/2020	1,304	1.350	4,946,270	3136G3T39	26357	5,097,000
Fund Total and Average		\$ 21,074,450	1.239		\$ 21,113,080		798	1.191	\$ 20,895,400			\$ 21,093,125

General Operating Reserve

Local Agency Investm	LAIF	28,829,722	0.602	07/01/2013	28,829,722		1	0.602	28,829,722	SYST0000	70002	28,829,722
Union Bank of Califo	UBOC	245,795	0.002	07/01/2013	245,795		1	0.002	245,795	SYST0019	70019	245,795
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST0051	70051	0
Federal National Mtg	UBOC	3,263,000	0.750	12/16/2014	3,261,466	04/20/2017	109	0.770	3,264,273	3135GOZB2	26186	3,262,802
Federal National Mtg	UBOC	5,970,000	1.625	12/29/2014	6,009,701	11/27/2018	695	1.450	6,015,014	3135GOYT4	26188	5,989,261
Federal National Mtg	UBOC	4,982,000	1.750	08/28/2015	5,047,364	11/26/2019	1,059	1.430	5,020,112	3135GOZY2	26246	5,026,702
Federal Farm Credit	UBOC	4,285,000	1.440	07/20/2016	4,280,715	01/19/2021	1,479	1.463	4,135,068	3133EGMP7	26356	4,281,141
Federal Home Loan Ba	UBOC	16,720,000	1.400	07/19/2016	16,711,640	01/19/2021	1,479	1.411	16,316,546	3130A8P80	26354	16,712,476



Northern California Power Agency
Treasurer's Report

12/31/2016

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
Federal National Mfg	UBOC	5,162,000	1.625	05/25/2016	5,162,000	05/25/2021	1,605	1.625	5,023,607	31386G3NLS	26332	5,162,000
Federal National Mfg	UBOC	1,300,000	1.500	08/30/2016	1,300,000	05/28/2021	1,608	1.500	1,257,763	31386G33W3	26368	1,300,000
Federal Farm Credit	UBOC	10,629,000	1.690	06/02/2016	10,629,000	06/02/2021	1,613	1.690	10,403,453	3138EGDH5	26335	10,629,000
Fund Total and Average		\$ 81,386,517	1.182		\$ 81,477,403		840	1.153	\$ 80,511,353			\$ 81,436,899
GRAND TOTALS:		\$ 166,588,645	1.002		\$ 166,827,117		684	0.965	\$ 165,353,195.			\$ 166,724,687

*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 12/31/2016

- Investment #26223 FHLMC Callable on 4/27/2017 Only
- Investment #26330 FNMA Callable quarterly
- Investment #26332 FNMA Callable quarterly
- Investment #26335 FFCB Callable 6/2/17, then anytime
- Investment #26354 FHLB Callable anytime
- Investment #26355 FHLB Callable anytime
- Investment #26356 FFCB Callable anytime
- Investment #26357 FNMA Callable quarterly
- Investment #26368 FNMA Callable 2/28/17, then quarterly
- Investment #26385 FHLMC Callable quarterly



Northern California Power Agency
Treasurer's Report

12/31/2016

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	USB	870,000	0.875	05/27/2016	871,305	05/24/2017	143	0.722	870,444	3130A1NN4	26334	870,523
Fund Total and Average		\$ 870,000	0.875		\$ 871,305		143	0.723	\$ 870,444			\$ 870,523

Geothermal Special Reserve

Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYS70032	70032	0
Union Bank of Calif	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70015	70015	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70063	70063	0
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	694	1.150	1,494,900	3134G8KVO	26302	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		694	1.150	\$ 1,494,900			\$ 1,500,000

Geo Decommissioning Reserve

Local Agency Investm	LAIF	4,587,613	0.602	07/01/2013	4,587,613		1	0.602	4,587,613	SYS70027	70027	4,587,613
Union Bank of Calif	UBOC	903,283	0.002	07/01/2013	903,283		1	0.002	903,283	SYS70034	70034	903,283
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70059	70059	0
Federal National Mtg	UBOC	9,700,000	1.500	08/30/2016	9,700,000	05/28/2021	1,608	1.500	9,384,847	3136G33W3	26369	9,700,000
Fund Total and Average		\$ 15,190,896	1.140		\$ 15,190,896		1027	1.140	\$ 14,875,743			\$ 15,190,896

GEO Debt Service Reserve Acct

Federal Home Loan Mt	USBT	907,000	1.750	06/02/2015	920,886	05/30/2019	879	1.354	915,544	3137EADG1	26228	915,382
Federal Home Loan Mt	USBT	2,515,000	1.250	02/27/2015	2,483,839	10/02/2019	1,004	1.580	2,500,287	3137EADM8	26197	2,496,341
Fund Total and Average		\$ 3,422,000	1.384		\$ 3,404,725		970	1.483	\$ 3,415,831			\$ 3,411,733

Geo 2012A DSR Account

Federal National Mtg	USBT	1,517,000	1.625	05/25/2016	1,517,000	05/25/2021	1,605	1.625	1,476,329	3136G3NL5	26333	1,517,000
Fund Total and Average		\$ 1,517,000	1.625		\$ 1,517,000		1605	1.625	\$ 1,476,329			\$ 1,517,000
GRAND TOTALS:		\$ 22,499,896	1.200		\$ 22,483,926		1001	1.209	\$ 22,133,247.			\$ 22,490,152

*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 12/31/2016
Investment #26302 FHLMC Callable quarterly
Investment #26333 FNMA Callable quarterly
Investment #26369 FNMA Callable 2/28/17, then quarterly



Northern California Power Agency
Treasurer's Report
12/31/2016

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	2,657,099	0.602	07/01/2013	2,657,099		1	0.602	2,657,099	SYS70028	70028	2,657,099
Union Bank of Calif	UBOC	73,398	0.002	07/01/2013	73,398		1	0.002	73,398	SYS70031	70031	73,398
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70052	70052	0
Federal Home Loan Mt	UBOC	3,993,000	0.950	06/29/2016	3,993,000	06/29/2018	544	0.950	3,972,556	3134G9A80	26339	3,993,000
Federal Home Loan Mt	UBOC	3,221,000	1.150	02/29/2016	3,221,000	11/26/2018	694	1.150	3,210,049	3134G8KVO	26304	3,221,000
Federal National Mtg	UBOC	5,320,000	1.350	06/30/2016	5,320,000	12/30/2019	1,093	1.350	5,261,480	3136G3VH5	26340	5,320,000
Fund Total and Average		\$ 15,264,497	1.067		\$ 15,264,497		670	1.067	\$ 15,174,582			\$ 15,264,497

Hydro Initial Facilities

Federal National Mtg	USB	1,529,000	1.625	12/12/2014	1,539,244	11/27/2018	695	1.450	1,540,529	3135G0YT4	26189	1,533,932
Federal Farm Credit	USB	2,437,000	1.250	02/02/2016	2,450,501	01/22/2019	751	1.060	2,436,659	3133EFVQ7	26300	2,446,350
Fund Total and Average		\$ 3,966,000	1.395		\$ 3,989,745		729	1.210	\$ 3,977,188			\$ 3,980,282

Hydro Debt Service Resrv 2010A

Federal Farm Credit	USB	5,528,000	1.750	08/28/2015	5,546,187	08/04/2020	1,311	1.680	5,483,942	3133EESZ9	26243	5,541,241
Fund Total and Average		\$ 5,528,000	1.750		\$ 5,546,187		1311	1.680	\$ 5,483,942			\$ 5,541,241

Hydro 2012A Rebate Account

Federal Home Loan Mt	USB	651,000	1.000	02/09/2012	649,392	03/08/2017	66	1.050	651,521	3137EADCO	25853	650,941
Fund Total and Average		\$ 651,000	1.000		\$ 649,392		66	1.050	\$ 651,521			\$ 650,941

Hydro Special Reserve

Local Agency Investm	LAIF	0	0.377	07/01/2013	0		1	0.377	0	SYS70000	70003	0
Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYS70033	70033	0
Union Bank of Calif	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70016	70016	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70084	70084	0
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	694	1.150	1,494,900	3134G8KVO	26303	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		694	1.150	\$ 1,494,900			\$ 1,500,000

Hydro 2012 DSRA

Federal Farm Credit	USB	100,000	1.750	08/28/2015	100,329	08/04/2020	1,311	1.680	99,203	3133EESZ9	26244	100,240
Fund Total and Average		\$ 100,000	1.750		\$ 100,329		1,311	1.680	\$ 99,203			\$ 100,240



Northern California Power Agency
Treasurer's Report

12/31/2016

Hydro 2012 DSRA

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 National Mtg	USB	94,000	1.530	07/28/2016	94,000	07/28/2021	1,669	1.530	90,466	3136G3S97	26359	94,000
Federal Home Loan Mt	USB	3,928,000	2.375	02/09/2012	3,926,232	01/13/2022	1,838	2.380	3,992,458	3137EADB2	25852	3,927,104
Fund Total and Average		\$ 4,122,000	2.341		\$ 4,120,561		1821	2.344	\$ 4,182,127			\$ 4,121,344
GRAND TOTALS:		\$ 31,031,497	1.402		\$ 31,070,382		933	1.368	\$ 30,964,260.			\$ 31,058,305

*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 12/31/2016

- Investment #26303 FHL/MC Callable quarterly
- Investment #26339 FHL/MC Callable quarterly
- Investment #26340 FNMA Callable quarterly
- Investment #26359 FNMA Callable 7/28/17, then quarterly



Northern California Power Agency
Treasurer's Report

12/31/2016

Cap Facilities 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
Federal Home Loan Ba	USBT	468,000	0.280	10/03/2016	467,581	01/26/2017	25	0.284	467,888	313385BB1	26372	467,909
Federal Home Loan Ba	USBT	470,000	0.399	08/29/2016	469,185	02/01/2017	31	0.406	469,812	313385BH8	26363	469,838
Federal Home Loan Ba	USBT	470,000	0.340	10/31/2016	469,587	02/01/2017	31	0.345	469,812	313385BH8	26380	469,862
Federal National Mtg	USBT	143,000	0.440	07/28/2016	142,671	02/01/2017	31	0.447	142,943	313589BH5	26349	142,946
Federal National Mtg	USBT	468,000	0.380	11/30/2016	467,689	02/01/2017	31	0.385	467,813	313589BH5	26386	467,847
Fund Total and Average		\$ 2,019,000	0.356		\$ 2,016,713		30	0.362	\$ 2,018,268			\$ 2,018,402

Cap. Fac. Debt Svc Reserve

Federal National Mtg	USB	71,000	1.530	07/28/2016	71,000	07/28/2021	1,669	1.530	68,330	3136G3S97	26358	71,000
Federal Home Loan Mt	USB	1,443,000	2.375	02/13/2012	1,447,430	01/13/2022	1,838	2.340	1,466,680	3137EADB2	25845	1,445,249
Fund Total and Average		\$ 1,514,000	2.335		\$ 1,518,430		1830	2.302	\$ 1,535,010			\$ 1,516,249
GRAND TOTALS:		\$ 3,533,000	1.205		\$ 3,535,143		802	1.194	\$ 3,553,278.			\$ 3,534,651

*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 12/31/2016 Investment #26358 FNMA Callable 7/28/17, then quarterly



Northern California Power Agency
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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 Investim		71,419	0.602	07/01/2013	71,419	1	1	0.602	71,419	SYS70046	70046	71,419
Fund Total and Average		\$ 71,419	0.603		\$ 71,419	1	1	0.603	\$ 71,419			\$ 71,419

LEC Construction Revolving

Local Agency Investim		1	0.254	07/01/2013	1	1	1	0.254	1	SYS70040	70040	1
Fund Total and Average		\$ 1	0.254		\$ 1	1	1	0.254	\$ 1			\$ 1

LEC Issue#1 2010A DS Fund

US Bank Trust	USB	3,378,915	0.100	07/01/2013	3,378,915	1	1	0.100	3,378,915	SYS79003	79003	3,378,915
Fund Total and Average		\$ 3,378,915	0.100		\$ 3,378,915	1	1	0.100	\$ 3,378,915			\$ 3,378,915

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	726,031	0.100	07/01/2013	726,031	1	1	0.100	726,031	SYS79004	79004	726,031
Fund Total and Average		\$ 726,031	0.100		\$ 726,031	1	1	0.100	\$ 726,031			\$ 726,031

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	2,728,826	0.100	07/01/2013	2,728,826	1	1	0.100	2,728,826	SYS79011	79011	2,728,826
Fund Total and Average		\$ 2,728,826	0.100		\$ 2,728,826	1	1	0.100	\$ 2,728,826			\$ 2,728,826

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	348,871	0.100	07/01/2013	348,871	1	1	0.100	348,871	SYS79012	79012	348,871
Fund Total and Average		\$ 348,871	0.100		\$ 348,871	1	1	0.100	\$ 348,871			\$ 348,871

LEC Issue #1 2010 DSR Fund

US Bank Trust	USB	95,280	0.100	07/01/2013	95,280	1	1	0.100	95,280	SYS79005	79005	95,280
Federal National Mig	USB	4,170,000	0.875	05/30/2014	4,171,960	239	239	0.977	4,172,877	3135GOMZ3	26136	4,170,398
Federal Farm Credit	USB	4,360,000	1.660	06/08/2016	4,360,000	1,605	1,605	1.659	4,298,175	3133EGBZ7	26337	4,360,000
Fund Total and Average		\$ 8,625,280	1.263		\$ 8,627,240	927	927	1.313	\$ 8,566,332			\$ 8,625,678



Northern California Power Agency
Treasurer's Report

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LEC Iss#1 2010B BABS Subs Resv

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	USB	2,263,408	0.100	07/01/2013	2,263,408		1	0.100	2,263,408	SYS79006	79006	2,263,408
Fund Total and Average		\$ 2,263,408	0.100		\$ 2,263,408		1	0.100	\$ 2,263,408			\$ 2,263,408

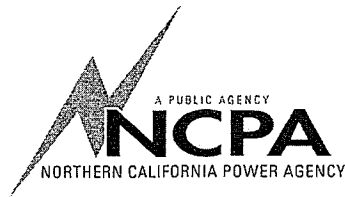
LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,087,620	0.100	07/01/2013	1,087,620		1	0.100	1,087,620	SYS79013	79013	1,087,620
Fund Total and Average		\$ 1,087,620	0.100		\$ 1,087,620		1	0.100	\$ 1,087,620			\$ 1,087,620

LEC O & M Reserve

Local Agency Investm	UBOC	1,972,548	0.602	07/01/2013	1,972,548		1	0.602	1,972,548	SYS70047	70047	1,972,548
Union Bank of Calif	UBOC	37,721	0.002	07/18/2013	37,721		1	0.002	37,721	SYS70041	70041	37,721
Federal Home Loan Ba	UBOC	3,100,000	0.625	06/27/2016	3,099,380	06/27/2017	177	0.645	3,097,117	3130A8LC5	26338	3,099,697
Federal National Mtg	UBOC	2,933,000	1.875	08/28/2015	2,998,142	02/19/2019	779	1.220	2,968,724	3135G0ZA4	26248	2,972,991
Federal National Mtg	UBOC	3,000,000	1.300	06/30/2016	3,000,000	06/30/2020	1,276	1.300	2,920,200	3136G3UJ2	26341	3,000,000
Fund Total and Average		\$ 11,043,269	1.137		\$ 11,107,791		604	0.967	\$ 10,996,310			\$ 11,082,957
GRAND TOTALS:		\$ 30,273,640	0.811		\$ 30,340,122		485	0.763	\$ 30,167,733.			\$ 30,313,726

*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 12/31/2016
Investment #26337 FFCB Callable 5/25/17, then anytime
Investment #26341 FNMA Callable on 6/30/17 only



Commission Staff Report

January 11, 2017

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: NCPA Major Insurance Renewals Update

AGENDA CATEGORY: Informational

FROM:	Rui Dai <i>R. Dai</i>	METHOD OF SELECTION:
	Energy Risk Manager	N/A
Division:	Administrative Services	
Department:	Risk Management	

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>

RECOMMENDATION:

That the Commission accept and file this report.

BACKGROUND:

NCPA utilizes the insurance brokerage services of Aon Risk Solutions, San Francisco, California to market and place the Agency's insurance programs. Each insurance policy and the related insurance market conditions are reviewed prior to the renewal date and remarketed as required to qualified insurers experienced in underwriting the applicable insurance risk.

The purpose of this report is to provide an update on the actual renewal results as compared to what has been approved by the Commission on December 1, 2016.

NCPA Insurance Programs Renewal

Aon Risk Solutions, San Francisco rigorously marketed NCPA property and liability insurance program and successfully negotiated and bonded renewal quotes for both property and excess liability coverages. The annual property insurance premium for 2017 policy year renewal is \$1,414,592. This is 20.80% below what was approved by the Commission in December and 10.37% below the premium of the expiring policy, given the fact that property insurable value increased by 3.18%, and business interruption exposure increased by 40.09% (due to higher forecasted generation revenue) over the policy year 2016.

Excess liability coverage premium is \$556,921, for the same policy limit of \$80 million. This result represents a 2.12% decrease over what was approved by the Commission in December and 1.84% decrease over the expiring policy premium. A detailed premium comparison is summarized in the table below.

NCPA Property and Liability Insurance Results Summary

	2016 Expiring	2017 Renewal Approved	\$ Change	% Change	2017 Renewal Actual	\$ Change	% Change vs Expiring	% Change vs Approved
Property Damage								
Property Damage & Terrorism	\$ 1,550,023				\$ 1,388,144			
Insurable Value	\$718,788,633	\$ 741,619,733	\$ 22,831,100	3.18%	\$ 741,619,733	\$ 22,831,100	3.18%	
Time Element	Included	Included			Included			
Taxes/Fees	28,276				26,448	\$ (1,828)		
BI Exposure	54,650,000	76,560,000		40.09%	76,560,000	\$ 21,910,000	40.09%	
Premium Total	\$ 1,578,299	\$ 1,786,000	\$ 207,701	13.16%	\$ 1,414,592	\$ (163,707)	-10.37%	-20.80%
Casualty								
\$35mm Excess Liability	\$ 312,727	\$ 320,545		2.50%	\$ 299,345	\$ (13,382)	-4.28%	-6.61%
Additional \$45 Liability	226,811	248,455		9.54%	230,001	\$ 3,190	1.41%	-7.43%
Terrorism	10,636				10,636			
Taxes/Fees	17,194				16,939	\$ (255)	-1.48%	
Premium Total	\$ 567,368	\$ 569,000	\$ 1,632	0.29%	\$ 556,921	\$ (10,447)	-1.84%	-2.12%
Grand Total	\$ 2,145,667	\$ 2,355,000	\$ 209,333	9.76%	\$ 1,971,513	\$ (174,154)	-8.12%	-16.28%

Aon Risk Solutions rigorously marketed the agency's Workers' Compensation insurance this year. Liberty Mutual was selected as the underwriter for the policy year 2017. Total premium is at \$148,378, 48.46% lower than the expiring policy premium and which was also approved by the Commission in December 2016 for the renewal.

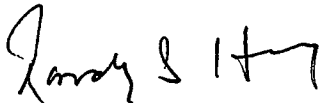
FISCAL IMPACT:

NCPA insurance renewals have been accomplished within the Insurance Program budget. Total cost of the NCPA project insurance, including taxes and fees, is \$1,971,513, which is 22.69% below approved \$2.55 million FY 2017 budget amount for these two major programs. Property insurance costs will be allocated to members and non-member participants based on respective generation entitlement shares; liability insurance costs will be allocated to members and non-member participants as part of A & G costs.

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

RD/tlh



Commission Staff Report

November 29, 2016

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: Nalco Company Water and Process Services (Nalco Company LLC) - First Amendment to the existing Multi-Task General Services Agreement for specialty chemicals and services; Applicable to all facilities owned and/or operated by NCPA.

AGENDA CATEGORY: Consent

FROM:	Ken Speer <i>KS</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>

RECOMMENDATION:

Staff recommends the approval of a First Amendment to the existing five year Multi-Task General Services Agreement with Nalco Company Water and Process Services (Nalco Company LLC), increasing the not to exceed amount from \$1,000,000 to \$2,000,000 and revising the scope of work to include all facilities owned and/or operated by NCPA.

BACKGROUND:

On February 26, 2015 NCPA entered into a five year Multi-Task General Services Agreement with Nalco Company LLC for specialty chemicals and services as is needed at the Lodi Energy Center and Combustion Turbine facilities. The Geothermal facility previously had a three year Multi-Task General Services Agreement with Nalco LLC that expired. Nalco Chemical LLC is a provider of these specialty chemicals and services. This amendment will increase the not to exceed amount of the agreement from \$1,000,000 to \$2,000,000 and will expand the scope of work to allow for use at any facility owned and/or operated by the Agency. Exhibit B will be modified to include language on pricing for services at the additional Agency locations.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$2,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase Orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures. 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. In addition to this agreement, NCPA has entered into enabling agreements with CellMark USA, LLC, Univar and GE Betz for similar services. NCPA will seek 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 below was reviewed by the Facilities Committee on December 7, 2016 and was recommended for Commission approval.

The recommendation below was reviewed by the Lodi Energy Center Project Participant Committee on December 12, 2016 and was approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard". The signature is written in a cursive, somewhat stylized font.

RANDY S. HOWARD
General Manager

Attachments: (3)

- Resolution
- First Amendment with Nalco Company LLC
- Multi-Task General Services Agreement with Nalco Company LLC

RESOLUTION 17-01

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT
WITH NALCO COMPANY WATER AND PROCESS SERVICES (NALCO COMPANY LLC)**

(reference Staff Report #102:17)

WHEREAS, Northern California Power Agency (NCPA) will require specialty chemicals and services related to plant operations at its various facility locations; and

WHEREAS, Nalco Company LLC is a provider of these services; and

WHEREAS, on February 26, 2015, NCPA and Nalco Company LLC entered into a five year Multi-Task General Services Agreement for specialty chemicals and services for use at the NCPA Lodi Energy Center and Combustion Turbine Facility; and

WHEREAS, NCPA seeks to amend the agreement to increase the not to exceed amount from \$1,000,000 to \$2,000,000 over the five (5) year period of the agreement; and

WHEREAS, NCPA seeks to revise the agreement to allow for use at all facilities owned and/or operated by NCPA; 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 of 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 in a First Amendment to the Multi-Task General Services Agreement with Nalco Company Water and Process Services (Nalco Company LLC), with any non-substantial changes as approved by the NCPA General Counsel, increasing the not to exceed amount from \$1,000,000 to \$2,000,000 over the contract term and revising the agreement to allow for use at any facility owned and/or operated by NCPA.

PASSED, ADOPTED and APPROVED this ___ day of _____ 2017, by the following vote on roll call:

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

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY



**FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
NALCO COMPANY WATER AND PROCESS SERVICES (NALCO COMPANY LLC)**

This First Amendment ("Amendment") to the Multi-Task General Services Agreement between the Northern California Power Agency ("Agency") and Nalco Company LLC (a.k.a. Nalco Company Water and Process Services) ("Contractor") (collectively referred to as "the Parties") dated as of February 26, 2015 (the "Agreement"), is entered into this ____ day of _____, 201__, with reference to the following facts:

WHEREAS, the Parties entered into the Agreement for Contractor to provide specialty chemicals and services to Agency's Lodi Energy Center and CT2 STIG facilities; and

WHEREAS, the Parties now desire to amend the Agreement to increase the total compensation authorized by the Agreement, modify the Scope of Work to include other Agency facilities, modify the Compensation Schedule and Hourly Fees, and make such other changes as set forth below; and

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

NOW, THEREFORE, the Parties agree as follows:

1. The first paragraph of Section 1 of the Agreement is replaced in its entirety to read as follows:

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 Exhibits A and A-1 and incorporated herein ("Work").

2. The first paragraph of Section 2 of the Agreement is replaced in its entirety with the following:

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 Exhibits B and B-1. 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.

3. The Agreement is amended to add the following as Section 4.2.4:

4.2.4 Pollution Insurance. If Contractor's Work involves its transporting hazardous materials, then Contractor shall obtain and maintain Contractors' Pollution Liability Insurance for sudden and accidental occurrences, which may be part of the Commercial General 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.

4. The Agreement is amended to add Exhibit A-1, (SCOPE OF WORK – Geothermal and Hydroelectric Facilities), attached hereto and incorporated herein.
5. The Agreement is amended to add Exhibit B-1 (COMPENSATION SCHEDULE AND HOURLY FEES – Geothermal and Hydroelectric Facilities), attached hereto and incorporated herein.
6. Except as specifically modified herein, no other provision in the Agreement is intended to be modified, and the Agreement, as amended, shall remain in full force and effect in its entirety.
7. This Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together constitute one amendment to the Agreement.
8. Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory acts.

SIGNATURES ON FOLLOWING PAGE

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

NORTHERN CALIFORNIA POWER AGENCY

NALCO COMPANY LLC

Date: _____

Date: _____

RANDY S. HOWARD, General Manager

MATTHEW J. ROCCA, District Manager

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Ruthann G. Ziegler, Assistant General Counsel

2722325.6

EXHIBIT A-1

SCOPE OF WORK – Geothermal and Hydroelectric Facilities

Nalco Company LLC ("Contractor") shall provide specialty chemicals and services as requested by Agency at the Geothermal and Hydroelectric facilities, as follows:

Water Treatment Chemicals: Biocide, Packaged in a 2000 lb. Tote (265 gal.) #90005.61 and other chemicals as needed. Incidental to the provision of chemicals, Contractor may also provide complimentary analytical work including chemical analysis of substances and water cooling tower analysis.

Contractor shall also provide additional products not listed above as requested in writing by NCPA. Pricing for products not specified in Exhibit B-1 will be quoted by Contractor at the time the product is requested.

EXHIBIT B-1

COMPENSATION SCHEDULE AND HOURLY FEES – Geothermal and Hydroelectric Facilities

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

1. Nalco 90005 Algaecide (Biocide), Delivered in 265 gallon IBC Totes
Price = \$6.00 / LB
2. Nalco H-130 Macro-fouling Biocide, Delivered in 265 gall IBC Totes
Price = \$4.50 / LB

Price includes shipping/freight costs but does not include State Sales Tax.

After July 30, 2017, Contractor may adjust the above prices one (1) time annually, and any adjustment shall be effective only upon thirty (30) days prior written notice to Agency.



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
NALCO COMPANY WATER AND PROCESS SERVICES**

This agreement for general services ("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 Nalco Company Water and Process Services, with its office located at 11601 W. DIEHL RD, ROSEVILLE, IL 60563 ("Contractor") (together sometimes referred to as the "Parties") as of 2/26/, 2015 ("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 **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.

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;
- 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

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 \$1,000,000 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.

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 \$1,000,000 per each accident. 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.

4.4 All Policies Requirements.

4.4.1 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, adding the Agency as an additional insured to the extent of Contractor's indemnification

obligations 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. Contractor shall provide at least thirty (30) days prior written notice to Agency of any cancellation of the policies referenced in Section 4.

4.4.3 [This section intentionally left blank.]

4.5 Waiver of Subrogation. Except to the extent prohibited by law or contrary to the indemnifications herein, 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. 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 ("Liabilities") to the extent such Liabilities arise from the negligence, recklessness, or willful misconduct of, or violation of applicable laws by, Contractor, its officers, officials, agents, and employees, except to the extent such Liabilities are caused by the 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 Notwithstanding anything to the contrary in this Agreement, Contractor's liability for any and all Liabilities under this Agreement shall not exceed the contract value under Section 2, or the amount of insurance under Section 4, whichever is greater.

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.

- 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.

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 **Work Requiring Payment of Prevailing Wages.** If applicable, 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 these services are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code shall be paid to all workers engaged in performing the services under this Agreement.

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 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 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 to 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 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 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, 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. Conclusion of Agreement. Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, 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, Contractors, 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 Agency's operations and the operations of 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. Agency may assume that anything left on the Project site an unreasonable length of time after the Work is completed has been abandoned. 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 Agency owned equipment and property provided by Agency 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. The water treatment program does not cover, and Contractor makes no warranties with respect to, water system biohazards from waterborne pathogens, including but not limited to Legionella bacteria. **CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
- 11.2 **Deficiencies in Work.** 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. Contractor's liability under this warranty is limited to replacement of nonconforming product, repair, or replacement of defective items, or, a refund of or invoice credit for the product price. Notwithstanding anything to the contrary in this Agreement, in no event shall either party be liable for any special, consequential or indirect damages. Contractor shall not be liable for any failure caused by Agency's failure to follow Contractor's written instructions.
- 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 Agency site programs.

- 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 to 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 Ken Speer, 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:

Nalco Company Water and Process Services
P. O. Box 188978
Sacramento, California 95818

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:

Michael F. Dean
General Counsel
Northern California Power Agency
Meyers Nave
555 Capitol Mall, Suite 1200
Sacramento, CA 95814

- 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 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, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits 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.

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

NORTHERN CALIFORNIA POWER AGENCY

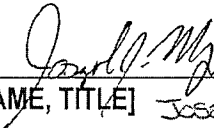
NALCO COMPANY WATER AND PROCESS SERVICES

Date

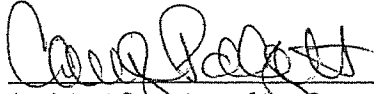
8/26/15

Date FEBRUARY 23, 2015

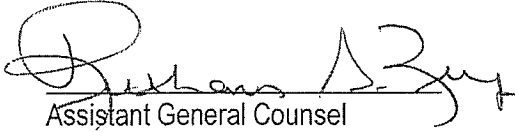

RANDY S. HOWARD, General Manager


[NAME, TITLE] JOSEPH MAZUR
VICE PRESIDENT - MARKETING

Attest:



Assistant Secretary of the Commission
Approved as to Form:



Assistant General Counsel

EXHIBIT A
SCOPE OF WORK

Nalco Company Water and Process Services ("Contractor") shall provide specialty chemicals and services as requested by the Northern California Power Agency ("Agency").

1. Analytical
2. Service Plan
3. Specialty Chemical Supply

Details for each item can be found on the following pages.

1 Services and Equipment

1.1 Inspections and Sampling

The Contractor will be expected to inspect the Boiler and Water systems during each outage and provide a written report of each inspection. Photographic documentation of the inspections by video or still camera may be required. LEC may also require the use of a fiber optics boroscope.

The Contractor service representative shall sample all water and steam systems and provide a certified analysis each quarter or as required by LEC for special circumstances. The sample streams listed in Exhibit B shall be analyzed for complete anions and cations, pH, and conductivity. Results shall be maintained in an Excel or similar data base. The database shall be updated at least quarterly.

1.2 Corrosion and Deposition Monitoring

The proposed treatments must provide protection from corrosion and deposition, which can adversely impact power plant efficiency and equipment life. The acceptable corrosion rates at LEC are as follows:

Carbon Steel/Cast Iron (Tower Circulating Water)	< 3.0 Mils per year (MPY) if corrosion inhibitor is used
Stainless Steel (Tower Circulating Water)	< 0.1 MPY
Titanium (Tower Circulating Water)	< 0.1 MPY
Carbon Steel/Cast Iron (Closed Loop Cooling Water)	< 1.0 Mils per year (MPY)
Stainless Steel (Closed Loop Cooling Water)	< 0.1 MPY
Titanium (Closed Loop Cooling Water)	< 0.1 MPY
Copper and Copper Alloys (Closed Loop Cooling Water)	<0.01 MPY

Two (2) corrosion coupon racks shall be provided for installation on the cooling tower circulating water and closed loop cooling water systems.

Additional corrosion coupon racks can be installed at other locations if recommended for supplemental monitoring. Comparable metallurgical coupons in each system monitored will be supplied and analyzed by the Contractor on a quarterly basis or more frequently as required by LEC for special circumstances.

1.3 Material Safety Data Sheets

LEC must be provided with a Material Safety Data Sheet (MSDS) for each product supplied. The MSDS will be kept on file at LEC. Chemical providers shall notify LEC of any changes, additions, or deletions on the MSDS prior to the shipment of any product following the change. Upon acceptance and approval, the new MSDS must precede product delivery by US Mail or accompany the product at the time of delivery. All product actives must be identified by its common chemical name, with the corresponding Chemical Abstract Service (CAS) number, in addition to the Contractor's identification on the respective MSDS.

1.4 Shipment and Storage of Chemicals

Freight charges shall be included in the cost to supply the proposed chemicals. LEC requests that treatment chemicals be supplied in reusable totes or drums where feasible. The base totes can be refilled by bulk truck or portable shuttle totes.

If drums or barrels are supplied, the Contractor shall provide for removal and/or disposal of the empty container from the site. Any NCPA name and address stenciled on the container shall be removed prior to the removal of any such container from this site. Failure to comply with this provision may result in the discontinuation of any contract or agreement between LEC and the Contractor.

All totes, drums, or pails must be clearly labeled with the Contractor ID and product name. The labels must be able to withstand the environment for the time the container is on site and in use. The Contractor shall perform an annual audit of all labels and placards to ensure that text is legible and current.

1.5 Service Plan

The costs for water treatment chemicals are important to a power plant's overall costs. Of equal importance to these costs is the quality of support from the Contractor. The plant considers specialty chemicals and services as an investment. Expert oversight must be provided to provide an acceptable return on the plant's investment. Service must include a plan to provide value-added expertise, insight, and support to ensure that the specified chemicals are used optimally.

Full-day service visits to the site are required at least once week. More frequent site visits may be required in order to meet the service requirements detailed later in this section.

1.6 Service and Reporting Requirements

The general requirements of Section 1.5 shall be documented in weekly Contractor service visits and subsequent reports. A detailed description of the required services and their frequency appears in Table 1-1 on the following page. The required reports appear in Table 1-2 later in this section.

Table 1-1: Required Services and Frequencies

Description	Service Plan Activity and Frequency
Risk management services focused on worker and environmental safety.	Meet annually with plant contact, review chemicals used and associated personnel and environmental exposure risks. Review MSDS.
Safety, Health, and Environmental communications and Material Safety Data Sheets as required to ensure safe application of the chemicals provided	Provide hard and soft copies of MSDS and Product Bulletins for any chemical proposed or used on site. Verify that all MSDS and Product Bulletins are the most recent versions. MSDS and Product Bulletins shall be updated at least annually. Provide electronic and hard copies of any other Safety, Health, and Environmental communications. Review and update such communications as necessary.
Product application specifications to ensure safe application of the chemicals provided	For each product, provide electronic and hard copies of a written description of proper product dosage, method to calculate or monitor dosage, any environmental limits on product application, and other information requested by the plant contact to ensure safe application of chemicals provided. Review and update product application data at least annually.
Emergency response during chemical transit, chemical spills, or other events impacting worker and environmental safety	Provide no less than two emergency contacts and no less than one 24-hour emergency response phone number to plant contact. Review and update contact information as necessary.
System survey describing chemical application points, water treatment processes and uses, and water flow diagrams	Provide a one-line diagram of the whole-plant water system labeling all major equipment and chemical injection points. Provide this information to the plant contact. Review and update system survey at least annually.
People survey describing plant contacts, responsible reporting parties, and Contractor contacts	Provide list to plant contact describing who receives reports and who is responsible for implementing recommendations. Update list as necessary or at least annually.

Description	Service Plan Activity and Frequency
<p>Program administration manual including general chemical information, general process information, information on specific chemicals used or proposed for use, troubleshooting and test procedures, chemical feed system information, and information required to support operation, maintenance, and installation of any Contractor-provided equipment</p>	<p>Provide a written Chemical Program Overview for each treated system including a Chemical Program Description for the system and a Chemical Product Description for each chemical used.</p> <p>Provide Feed System Data Table for each chemical feed system including the Chemical Name, Storage Tank Volume, Metering Pump Capacity, Chemical Density, and Chemical Injection Point Location.</p> <p>Provide Chemical Limits and Troubleshooting information for each system. Include a table listing each system's chemical parameters, their control limits, and the action levels associated with each control limit. Also include a brief description of each system's chemical parameters, what causes the parameter to change, and recommendations for corrective action based on the different action levels. For each system, provide a General Troubleshooting Table listing each chemical parameter, the common causes or sources of high or low readings, the corrective actions for high or low readings, and the consequences of high or low readings.</p> <p>A printed and electronic copy of the Chemical Limits and Troubleshooting information shall be provided to the plant contact. Information shall be reviewed and updated at least annually. Format shall be reviewed with the plant contact at least annually and updated as directed by the plant contact.</p> <p>Provide written and electronic versions of all Program Administration Manual data to the plant contact. Review and update at least annually.</p>
<p>Service plan describing the specific services to be performed during each visit.</p>	<p>The service plan is contained in this document. Any additions, deletions, or changes must be approved by the plant contact. Review this document with the plant contact and obtain plant contact signature at least quarterly (unless Low Service Level is selected, in which case review is performed annually). Both Contractor and the plant contact shall maintain copies of the signed document.</p>

Description	Service Plan Activity and Frequency
Written service reports for each site visit describing services performed, problems found, action taken, recommendations for plant action, and planned follow-up.	Service reports for all site visits will normally be provided in a single monthly report.
Business review performed at least annually describing the total value of all goods and services consumed, the estimated expenditures for the coming year, projects or project work completed with supporting data for any cost savings achieved as a result of this work, and technical and financial goals for the coming year.	Provide printed and electronic versions of the business review to plant contact. Review business review format with plant contact at least annually. Change or update as directed by plant contact.
Inspection of water and steam systems during operation or during outages with a written report detailing equipment status and recommendations.	Meet with plant contact at least monthly to determine the need for inspections in the following month. Review inspection report format with plant contact at least annually. Provide a written report of inspection results within four working weeks of the inspection.
Water and deposit analyses performed at Contractor off-site laboratories provided that such water and deposit analyses are required to verify the proper operation of Contractor-provided goods and services.	Obtain water samples from Contractor-treated systems if required. Obtain deposit samples from Contractor-treated systems, if required, as they're available during outages or upsets. Contractor is responsible for providing sample containers. Provide written analysis and sample results within four working weeks of sample date.
Metallographic analyses performed at Contractor off-site laboratories provided that such metallographic analyses are required to verify the proper operation of Contractor-provided goods and services.	Obtain samples from Contractor-treated systems, if required, as they're available during outages or upsets. Contractor is responsible for providing packaging and shipping recommendations. Provide written analysis and sample results within four working weeks of sample date.

Description	Service Plan Activity and Frequency
Laboratory procedures training to ensure proper performance of those chemical tests required to ensure proper application of Contractor-provided goods and services	Provide laboratory procedures training annually. Training shall consist of single a pre-scheduled laboratory procedures demonstration in which the Contractor representative shall meet with available plant operators to perform wet chemistry and demonstrate the proper wet test procedure to the operators for each wet test performed. Document persons trained, date, and time. Provide training records to plant contact in electronic and printed format.
Monitor and provide a written report of chemical consumption versus budget consumption for any Contractor-provided chemical.	<p>Utilize spreadsheet to report actual chemical consumption (pounds or gallons) and actual chemical cost for each month for each Contractor-provided product. The written report shall compare chemical usage versus consumption for each product. The written report shall describe the reasons for deviation from target usage and corrective actions required (if any) to restore chemical usage to targets.</p> <p>Printed and electronic report shall be provided to plant contact at least monthly.</p> <p>Review report format with plant contact at least quarterly. Update or change as directed by plant contact.</p>
Report on condition and operation of chemical storage, feed, and control equipment	<p>Visually inspect each chemical feed system and each chemical feed control system at least annually. Provide recommendations for feed and control system improvements. Identify necessary repairs or safety issues. Verify that MSDS are stored at, on, or near each chemical storage tank. Verify that tank labels and placards are legible and in good condition. Correct any deficiencies.</p> <p>Summarize findings in a written report to the plant contact.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>

Description	Service Plan Activity and Frequency
<p>Provide monitoring, control, and corrective actions for plant water systems.</p>	<p>Review logsheets and trends for all plant water streams or systems (provided that the data is available to Contractor). Provide an analysis of each system describing chemistry issues and concerns, recommendations for corrective action, recommendations for control improvements, and a discussion of relationships between chemical control parameters. This monitoring program shall include normalized monitoring of demin system reverse osmosis units. Contractor shall perform the normalization calculations and retain them in the same database used to retain other plant chemistry data.</p> <p>Printed and electronic report shall be provided to plant contact at least monthly. The report shall include trends and an analysis of control capability for each parameter (percent in control, for example) with recommendations for improvement for any parameter with less than 80% of readings within the target range.</p> <p>Review report format with plant contact at least quarterly. Update or change as directed by plant contact.</p>
<p>Provide detailed chemistry evaluation and recommendations for plant water systems</p>	<p>Perform a detailed review and analysis of each system's chemical treatment program. Review the treatment program design, purpose, and efficacy. Compare chemical treatment program goals to results. Evaluate and propose alternative chemistries, including cost analysis.</p> <p>Printed and electronic report shall be provided to plant contact at least annually as part of the business review.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>

Description	Service Plan Activity and Frequency
<p>Provide corrosion rate monitoring of once-through, recirculating, and closed loop cooling systems. Corrosion coupon results shall be maintained in a Contractor-provided database. Such database shall be updated and provided to PLANT at least quarterly. Both parties shall mutually agree upon corrosion coupon metallurgy.</p>	<p>Report shall include both general and pitting corrosion rates (provided that corrosion monitoring equipment is installed and operable for the monitored system). Coupon exposure time for recirculating or once-through cooling systems shall be approximately 90 days. Corrosion analysis may be substituted for corrosion coupons if approved by plant contact.</p> <p>Printed and electronic report shall be provided to plant contact at least quarterly.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>
<p>In-service inspections of evaporative cooling towers shall be performed at least twice per year. Such inspections shall include a visual inspection of cooling tower hardware.</p>	<p>Printed and electronic report shall be provided to plant contact at least semi-annually.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>
<p>Provide operator, supervisor, and manager training on basic water chemistry, cooling systems, HRSG systems, and pretreatment systems. Topics to be approved by plant management two weeks prior to date of training. Train personnel as directed by plant management. Schedule at least two different training sessions covering the same material to accommodate shift schedules.</p>	<p>Provide training annually. Document persons trained, date, and time. Training length shall be at the discretion of the plant contact, but will normally be designed to last approximately four hours. Provide training records to plant contact in electronic and printed format.</p>
<p>On-site emergency response during normal working hours</p>	<p>Provide no less than two Contractor emergency contacts and no less than one 24-hour emergency response phone number to plant contact. Review and update contact information at least annually.</p>
<p>Provide chemistry data trending software</p>	<p>Provide chemistry trending software. Software must be capable of importing existing plant database (Excel format) to ensure that previous historical data is retained.</p>

AM

Description	Service Plan Activity and Frequency
<p>Provide once-through, recirculating, and closed loop cooling system biological control monitoring</p>	<p>Provide sample sessile bacteria counts, bacteria metabolic residuals and bacteria speciation analysis at least quarterly. Reports shall include recommendations for improvement, cost analysis of biological treatment programs, and evaluation of current program efficacy.</p> <p>Printed and electronic report shall be provided to plant contact at least monthly. The speciation analysis shall be included in the monthly report.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>

The services of Table 1.1 shall be documented in accordance with the reporting requirements of Table 1-2.

Table 1-2: Required Reports and Frequencies

Description	Service Plan Activity and Frequency
Monthly reports include the following:	<p>The reports listed below will normally be included in the body of one monthly service report. The monthly service report will normally be divided into several sections including:</p> <ul style="list-style-type: none"> Chemical Usage and Consumption Chemistry Monitoring and Control <ul style="list-style-type: none"> Cycle Chemistry Cooling Systems Pretreatment Systems BOP Water Systems Inspections (if any)
Quarterly reports include the following:	<p>The reports listed below will normally be included in the body of one monthly service report.</p> <ul style="list-style-type: none"> Corrosion Monitoring
Semi-annual reports include the following:	<p>The reports listed below will normally be included in the body of one monthly service report.</p> <ul style="list-style-type: none"> Chemical Storage, Feed, and Control Equipment Operational Review Cooling System In-Service Inspection
Annual reports include the following:	<p>The reports listed below will normally be included in the body of one monthly service report with the exception of the Business Review which will be distributed separately.</p> <ul style="list-style-type: none"> Business Review Chemistry Evaluation Chemical Safety Audit
Special reports include the following:	<ul style="list-style-type: none"> Outage inspections of water and steam systems Deposit samples Specially requested water samples Metallographic analysis Training presentations

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, above. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

1. Analytical Cost: \$31,020/year

Annual Sampling Program Costs					
Requirements from Section 3.2 and Appendix 7 of the RFP					
Sample Number	Samples per Year	Location	Code	Cost each	Annual Cost
1	4	Cycle Makeup Water (Darin Storage Tank)	STEAM	\$ 208	\$ 832
2	4	Condensate Polisher Effluent	STEAM	\$ 208	\$ 832
3	4	Condensate Polisher Effluent	STEAM	\$ 208	\$ 832
4	4	IP Feedwater BOP	STEAM	\$ 208	\$ 832
5	4	HP Feedwater HRSG	STEAM	\$ 208	\$ 832
6	4	LP Drum Water	BLR	\$ 355	\$ 1,420
7	4	IP Drum Water	BLR	\$ 355	\$ 1,420
8	4	HP Separator Water	STEAM	\$ 208	\$ 832
9	4	HP Main Steam	STEAM	\$ 208	\$ 832
10	4	LP Sat Steam	STEAM	\$ 208	\$ 832
11	4	IP Main Steam	STEAM	\$ 208	\$ 832
12	4	IP Sat Steam	STEAM	\$ 208	\$ 832
13	4	LP Main Steam	STEAM	\$ 208	\$ 832
14	4	Hot Reheat Steam	STEAM	\$ 208	\$ 832
15	4	IP Rotor A/R Cooler Water	STEAM	\$ 208	\$ 832
16	4	LP Rotor Air Cooler Water	STEAM	\$ 208	\$ 832
17	4	Condensate Polisher #1 Effluent	STEAM	\$ 208	\$ 832
18	4	Condensate Polisher #2 Effluent	STEAM	\$ 208	\$ 832
19	4	LP Rotor Air cooler Steam	STEAM	\$ 208	\$ 832
20	4	IP Rotor A/R Cooler Steam	STEAM	\$ 208	\$ 832
21	4	HP Feedwater BOP	STEAM	\$ 208	\$ 832
22	4	Condensate BOP	STEAM	\$ 208	\$ 832
23	4	Aux Boiler Steam	STEAM	\$ 208	\$ 832
24	4	Aux Boiler Drum Water	BLR	\$ 355	\$ 1,420
25	4	HP Separator Steam	STEAM	\$ 208	\$ 832
26	4	Circ Water	RICRC	\$ 402	\$ 1,608
27	4	Service Water	MAKEUP	\$ 288	\$ 1,152
28	4	Raw Water	MAKEUP	\$ 288	\$ 1,152
29	4	Circ Water DMA	BIO	\$ 116	\$ 464
30	4	Closed Loop DMA	BIO	\$ 116	\$ 464
31	4	Evap Cooler 1 DMA	BIO	\$ 116	\$ 464
32	4	Evap Cooler 2 DMA	BIO	\$ 116	\$ 464
33	4	Circ Water Sessile	BIOSWB	\$ 168	\$ 672
34	4	Closed Loop Sessile	BIOSWB	\$ 168	\$ 672
35	4	Evap Cooler 1 Sessile	BIOSWB	\$ 168	\$ 672
36	4	Evap Cooler 2 Sessile	BIOSWB	\$ 168	\$ 672
37	4	Closed Loop: Mild Steel Coupon	BIOSWB	NC	NC
38	4	Closed Loop: Copper Steel Coupon	BIOSWB	NC	NC
39	4	Closed Loop: Titanium	BIOSWB	NC	NC
40	4	Closed Loop: Copper Steel Coupon	BIOSWB	NC	NC
41	4	Circ Water: Mild Steel Coupon	BIOSWB	NC	NC
42	4	Circ Water: Copper Steel Coupon	BIOSWB	NC	NC
43	4	Circ Water: Titanium	BIOSWB	NC	NC
Annual Sampling Program Cost					\$ 31,020

- Included at no additional charge:
 - o Use of Nalco's 3D Trasar controller, automated reporting, and a 24/7 monitoring and alarm package
 - o Use of Nalco's web based data management system for the collection and analysis of samples collected onsite.
 - o Continued technical support for issues like the RAC failure, Benson cycle chemistry support, clarifier operation, and others.

2. Service Plan Cost: \$30,000/year

3. Specialty Chemical Supply Cost: First year is based on rates in table below and is subject to escalation per the Price Adjustment Formula.

Current Chemical Price List:

Lodi Energy Center											
System	Chemical	Product Name	Product Number	Dosage (mg/l)	Target Residual (mg/l)	Container Size	\$/Lb (Firm)	Lb/Year (Based on Base Case)	\$/Year (Based on Base Case)	Container Provided By	Chemical Type
Auxiliary Boiler	Oxygen Scavenger	Nalco 1720	1720.12	50	30	55-gal MPF	\$2.94	1142	\$3,357	Vendor	Specialty
Auxiliary Boiler	Phosphate (for Drum)	BT-3400	BT-3400.36	2.0	2.0	55-gal MPF	\$3.60	492	\$1,870	Vendor	Specialty
Closed Loop	Corrosion Inhibitor	TRAC108	TRAC108.56	slug	3,000	55-gal drum	\$1.71	564	\$964	Vendor	Specialty
Cooling Tower Circ Water	Anti-foam Biocide (Sodium Bromide)	71D5 PLUS	71D5 PLUS.11	5	NA	5-gal pail	\$7.57	86	\$650	Vendor	Specialty
Cooling Tower Circ Water	Biocide (Sodium Bromide)	1315	1315.33	45	0.3	200-gal JPF	\$2.75	0	\$0	Vendor	Specialty
Cooling Tower Circ Water	Corrosion Inhibitor	3DT187	3DT187.33	45	NA	200-gal JPF	\$2.55	0	\$0	Vendor	Specialty
Cooling Tower Circ Water	Microbial Dispersant	73551	73551.56	5	NA	55-gal drum	\$2.17	0	\$0	Vendor	Specialty
Cooling Tower Circ Water	Mineral Dispersant	3DT187	3DT187.33	45	NA	200-gal JPF	\$2.55	5,220	\$13,311	Vendor	Specialty
Cooling Tower Circ Water	Non-Oxidizing Biocide	H-550	H-550.61	50	NA	250-gal tote	\$4.78	2,000	\$9,560	Vendor	Specialty
Demin Water Treatment	RO Low pH Cleaner	PC-77	PC-77.56	2%	NA	55-gal drum	\$1.80	551	\$992	Vendor	Specialty
Demin Water Treatment	RO Anti-scalant	PC-191T	PC-191T.36	5	NA	55-gal MPF	\$3.53	824	\$2,930	Vendor	Specialty
Demin Water Treatment	RO High pH Cleaner	PC-95	PC-95.56	2%	NA	55-gal drum	\$2.25	470	\$1,058	Vendor	Specialty
Raw Water Treatment	Polymer/Flocculant	7763	7763	2	NA	200-gal JPF	\$2.44	2,421	\$5,908	Vendor	Specialty
									539,908		

STIG Plant							
System	Chemical	Product Name	Product Number	Container Size	\$/Lb (Firm)	Container Provided By	Chemical Type
Cooling Tower Circ Water	One-Drum Treatment	3DT187	3DT187.36	55-gal MPF	4.40	Vendor	Specialty
Demin Water Treatment	Caustic (25%)	8735	8735.33	30-gal MPF	6.63	Vendor	Specialty
Demin Water Treatment	RO Low pH Cleaner	PC-77	PC-77.11	5-gal pail	4.91	Vendor	Specialty
Demin Water Treatment	RO Anti-scalant	PC-191T	PC-191T.56	55-gal drum	2.23	Vendor	Specialty
Demin Water Treatment	RO High pH Cleaner	PC-95	PC-95.11	5-gal pail	4.74	Vendor	Specialty
Main Steam Cycle	Amine	352	352	55-gal MPF	5.03	Vendor	Specialty
Main Steam Cycle	Oxygen Scavenger	Eliminox	Eliminox.36	55-gal MPF	4.00	Vendor	Specialty
Main Steam Cycle	Phosphate (for Drum)	1742	1742	200-gal JPF	2.20	Vendor	Specialty

- Items listed in BOLD are included as part of Nalco's Porta-Feed system. These chemicals are either supplied in 200 gallon stainless steel returnable tanks or are delivered by a Nalco Delivery Specialist to a designated base tank.
- Where practical, Base Tanks will be supplied by Nalco at no cost to LEC. For the SR Base Tanks LEC is responsible for the containment. Where the usage is low or slug fed periodically it may be more efficient to just switch out these containers. The 55 gallon drums and plastic Schutz Totes are returnable. 5 and 15 gallon pails are not returnable.

Chemical Price Adjustments:

Price Adjustment Formula

In December 2015 the product prices will be reviewed for increase or decrease. Any adjustments will become effective the following January 1st.

Any price increases or decreases will be based on a weighted average of the following Bureau of Labor Statistics Indices, comparing the most recent November values with November 2014 values:

Index	Weighting
WPU 061 Chemicals and Allied Products Producer Price Index (PPI)	64%
CUUR0000SA0E Energy Series Consumer Price index (CPI-E)	16%
CUUR0000SA0 Urban Series Consumer Price Index (CPI-Urban)	20%

The price adjustment formula is:

$$0.64 * ((PPI-061 [2] - PPI-061 [1]) / PPI-061 [1]) + 0.16 * ((CPI-E [2] - CPI-E [1]) / CPI-E [1]) + 0.20 * ((CPI Urban [2] - CPI Urban [1]) / CPI Urban [1])$$

2 denotes index for November of the current year
1 denotes index for November 2014

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, JOSEPH J. MAZUR, VICE PRESIDENT-MARKETING

(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

NALCO COMPANY

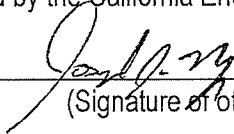
(Company name)

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 23RD day of FEBRUARY, 20 15.

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.

2384168.7





Commission Staff Report

November 29, 2016

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: CellMark USA, LLC – First Amendment to the Existing Five Year Multi-Task Agreement for Stretford System Chemicals; Applicable to the Geothermal Facility.

AGENDA CATEGORY: Consent

FROM: Ken Speer <i>KS</i>	METHOD OF SELECTION:
Assistant General Manager	N/A
Division: Generation Services	
Department: Geothermal	

IMPACTED MEMBERS:		
All Members <input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>	City of Ukiah <input checked="" type="checkbox"/>
Alameda Municipal Power <input checked="" type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>	Plumas-Sierra REC <input checked="" 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 checked="" type="checkbox"/>	City of Redding <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Gridley <input checked="" type="checkbox"/>	City of Roseville <input checked="" type="checkbox"/>	Other <input checked="" type="checkbox"/>
City of Healdsburg <input checked="" type="checkbox"/>	City of Santa Clara <input checked="" type="checkbox"/>	<i>If other, please specify:</i>
		TID

RECOMMENDATION:

Approve a First Amendment to the existing five year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies for chemicals, increasing the not to exceed amount from \$95,000 to \$500,000 over five years for use at the Geothermal facility.

BACKGROUND:

On April 10, 2015 NCPA entered into a five year Multi-Task Agreement with CellMark USA, LLC for the purchase of chemicals including Vanadium and Sulfa-Ban EF (ADA liquid) which is used in the Geothermal Stretford abatement process. This amendment will increase the not to exceed amount from \$95,000 to \$500,000.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$500,000 over five years to be used out of NCPA Geothermal approved budgets as services are rendered. Purchase Orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This five year agreement does not commit NCPA to any expenditure of funds. NCPA has completed an extensive search for other vendors that provide Vanadium and Sulfa-Ban EF, however, no other vendors were found. NCPA will continue to search for other providers when an additional chemical purchase is required. If additional vendors can be found at the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. 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.

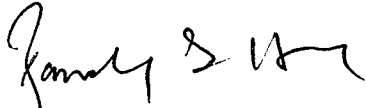
ENVIRONMENTAL ANALYSIS:

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 below was reviewed by the Facilities Committee on December 7, 2016 and was recommended for Commission approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard". The signature is written in a cursive, flowing style.

RANDY S. HOWARD
General Manager

Attachments: (3)

- Resolution
- First Amendment with CellMark USA, LLC
- Multi-Task Agreement For Purchase of Equipment, Materials and Supplies with CellMark USA, LLC

RESOLUTION 17-02

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A FIRST AMENDMENT TO MULTI-TASK AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES WITH CELLMARK USA, LLC

(reference Staff Report #103:17)

WHEREAS, Northern California Power Agency (NCPA) purchases chemicals utilized in the Stretford abatement process at its Geothermal Facility; and

WHEREAS, CellMark USA, LLC is a provider of these chemicals; and

WHEREAS, on April 10, 2015, NCPA and CellMark USA, LLC entered into a five year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies; and

WHEREAS, NCPA seeks to amend the agreement to add additional funds, increasing the not to exceed amount from \$95,000 to \$500,000; 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 of 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 existing Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with CellMark USA, LLC, with any non-substantial changes as approved by the NCPA General Counsel, increasing the not to exceed amount form \$95,000 to \$500,000 over the term of the contract.

PASSED, ADOPTED and APPROVED this ____ day of _____ 2017, by the following vote on roll call:

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

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**FIRST AMENDMENT TO MULTI-TASK AGREEMENT FOR PURCHASE OF EQUIPMENT, MATERIALS
AND SUPPLIES BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND CELLMARK USA, LLC**

This First Amendment ("Amendment") to Multi-Task Agreement For Purchase Of Equipment, Materials And Supplies is entered into by and between the Northern California Power Agency ("Agency") and Cellmark USA, LLC ("Supplier") (collectively referred to as "the Parties") as of _____, 2016.

WHEREAS, the Parties entered into a five year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies dated effective April 10, 2015, (the "Agreement") for Supplier to provide chemicals for the Stretford systems services at the Geothermal Facility; 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 \$95,000.00 to a "NOT TO EXCEED" amount of \$500,000.00; and

WHEREAS, the Agency now desires to amend the Agreement to add the requirement for Pollution Insurance as may be necessary; and

WHEREAS, the Agency now desires to amend the Agreement to add additional Miscellaneous provisions; and

WHEREAS, the Parties have agreed to modify the Agreement as set forth above; and

WHEREAS, in accordance with Section 9.1 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 4—Compensation** of the Agreement is amended and restated to read as follows:

Agency hereby agrees to pay Supplier for the Goods an amount **NOT TO EXCEED** Five Hundred Thousand and 00/100 dollars (\$500,000.00) as total compensation under this Agreement, which shall include 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.

The remainder of Section 4 of the Agreement is unchanged.

2. **Section 5-Insurance Requirements** of the Agreement is amended to add the following provision:

5.6 Pollution Insurance. Supplier has its Goods, which may include hazardous materials, delivered to Agency by a third party. Supplier nonetheless has in effect and shall maintain while the Agreement is in effect Pollution Legal Liability insurance, including Transportation, in

the amount of \$10 million for any one occurrence and in the 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, provided that the insurance may be on a "claims-made" basis subject to the following conditions: (1) the retroactive date of the policy shall be on or before the effective date of the First Amendment to this Agreement; (2) the policy shall be maintained for at least five (5) years after completion of the Services and, if requested by Agency, evidence of coverage shall be provided during this period; and (3) if, within five (5) years of completion of the Services, coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the First Amendment to this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the Services and, if requested by Agency, provide evidence of coverage during this period.

"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.

The remainder of Section 5 of the Agreement is unchanged.

3. **Section 9-Miscellaneous Provisions** of the Agreement is amended to add the following provisions:

- 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 Ken Speer, 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:

Hugo Galletta or Therese Kauders
Cellmark USA, LLC
2 Corporate Drive
Shelton, CT 06484

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:

Michael F. Dean
General Counsel
Northern California Power Agency
Meyers Nave
555 Capitol Mall, Suite 1200
Sacramento CA 95814

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.

The remainder of Section 9 of the Agreement is unchanged.

4. This Amendment in no way alters the terms and conditions of the Agreement except as specifically set forth herein.

This Amendment shall be effective immediately upon its execution by the Parties hereto.

Date: _____

Date: _____

NORTHERN CALIFORNIA POWER AGENCY

CELLMARK USA, LLC

RANDY S. HOWARD, General Manager

Hugo Galletta, President & CEO

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel

2763416.2

First Amendment to Multi-Task Agreement for Purchase of Equipment, Materials and Supplies between Northern California Power Agency and Cellmark USA, LLC

GS-VEN-2015-016



**MULTI-TASK
AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES
BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
CELLMARK USA, LLC**

This Agreement for Purchase of Equipment, Materials and Supplies ("Agreement") is entered into on 4/10, 2015 (the "Effective Date") between the NORTHERN CALIFORNIA POWER AGENCY, ("Agency"), a public joint powers agency, with offices located at 651 Commerce Drive, Roseville, CA, 95678-6420 and CellMark USA, LLC., ("Supplier"), whose principal office is located at 333 Ludlow Street, Stamford, CT 06902 (together sometimes referred to as the "Parties").

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 Agency's Project Site, DDP (Incoterms 2010), located at 12000 Ridge Road, Middletown, CA 95461, when requested by the Agency. Supplier shall be responsible at its sole expense for delivering the Goods to Agency's 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. 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 3. 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.

Section 4. COMPENSATION. Agency hereby agrees to pay Supplier for the Goods an amount not to exceed NINETY-FIVE THOUSAND DOLLARS (\$95,000.00) as total compensation under this Agreement, which includes all shipping, taxes (if applicable), insurance, delivery charges, and any other fees, costs or charges.

4.1 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

Multi-Task Agreement for Purchase of Equipment, Materials and Supplies
NORTHERN CALIFORNIA POWER AGENCY and CELLMARK USA, LLC.
6/25/12
1927276.1

GS-VEN-2015-016

4.2. **Payment.** Agency shall pay all invoices within thirty (30) days of the receipt of any invoice for Goods satisfactorily received.

4.3. **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 5. 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.

5.1. **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 (\$1,000,000.00) per accident.

5.2. **Automobile Liability.** Supplier and its Subcontractors (specifically identified in Exhibit A) 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 or Subcontractors, on or off Agency premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with \$2,000,000 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.

5.3. **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 \$1,000,000/\$2,000,000 aggregate for bodily injury and property damage, on an occurrence basis. No endorsement shall be attached limiting the coverage.

5.4. **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.

5.5. **All Policies Requirements.**

5.5.1 **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.

5.5.2 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.

5.5.3 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.

5.5.4 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.

Section 6. 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 for sixty (60) days after delivery of any Goods that such 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; and 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 within sixty (60) days after delivery, any 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.

The remedies available under this Section 6 for breach of warranty constitute the sole remedies available to Agency in the event of any breach of warranty by Supplier.

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER, OR FOR ANY INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES RESULTING FROM INTERRUPTION OF BUSINESS OR LOSS OF PROFITS, OR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR IN CONNECTION WITH ANY OBLIGATION RELATING TO THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FORM (E.G., CONTRACT, BREACH OF WARRANTY, TORT, OR OTHERWISE) IN WHICH ANY LEGAL OR EQUITABLE ACTION MAY BE BROUGHT AGAINST SUCH PARTY.

Section 7. INDEMNIFICATION AND SUPPLIER'S RESPONSIBILITIES.

7.1 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.

7.2 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 claim of any third party for personal injury or death or damage to property 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. For clarity, any employee of Agency who has a claim, in his or her personal capacity, that arises from any act or omission of Supplier is a "third party" for purposes of this Section 7.2.

7.3 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.

Section 8. Subcontracting. Supplier shall be responsible for delivery of the Goods, notwithstanding Supplier's use of any Subcontractor, as identified in Exhibit A, including any costs or fees relating to such Subcontractor.

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. No pre-printed terms of any Purchase Order, invoice, or any other form of either Party shall be considered to be part of this Agreement. Any other terms of any Purchase Order, invoice, or other form of either Party issued and exchanged hereunder shall be considered to be a part of this Agreement only to the extent that such terms supplement and do not contradict or limit the terms of this Agreement or its attached Exhibits; provided, however, that if the supplemental term is proposed by Supplier, written notice of the supplemental term shall be separately and affirmatively provided to Agency's Facility Manager, and shall be subject to his or her acceptance or rejection. This Agreement cannot be amended except by a written document that is signed by both Parties.

- 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 and its Subcontractors are independent contractors and not employees or agents 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.

SIGNATURES ON FOLLOWING PAGE

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

NORTHERN CALIFORNIA POWER AGENCY

CELLMARK USA, LLC

Date 4-18-15

Date 9 APRIL 2015

Ken Speer
KEN SPEER, Assistant General Manager

Hugo Galletta
NAME: HUGO GALLETTA
TITLE: PRESIDENT & CEO

Attest:

[Signature]
Assistant Secretary of the Commission

Approved as to Form:

[Signature]
Assistant General Counsel

**EXHIBIT A
PURCHASE LIST**

Supplier shall provide the following list of Goods to Agency, upon request. Any such request by Agency shall be made by the delivery by Agency to Supplier of Agency's Purchase Order in accordance with the terms of Section 3 of this Agreement. Any Goods ordered hereunder shall be delivered to Agency within twenty-one (21) calendar days after the date of Buyer's Purchase Order in accordance with the terms of Section 3 of this Agreement.

Supplier is to provide Agency's Geothermal Facility with, but not limited to, the following chemicals for the Plants 1 and 2 Stretford systems:

- Totes of Vanasol (Vanadium liquid) to be used in the Stretford system at a price of \$6,500.00/each
- Totes of Sulfa-Ban EF (ADA liquid) to be used in the Stretford system at a price of \$9,100.00/each.
- Pails of Sodium Ammonium Vanadate powder to be used in the Stretford system at a price of \$800.00/25 kg pail (\$32.00/kg).

Supplier shall not charge Agency sales tax and Agency shall be responsible for payment of state use tax directly to the state.

Prices identified above include the full cost of loading, transport and delivery of Goods to Agency's Project Site using the Subcontractors identified in this Exhibit A.

Prices remain firm, and are subject to change only with thirty (30) days' advance written notice of such change to Agency.

SUBCONTRACTORS

for loading, transport, and delivery of goods to Agency's Project Site

Precision Crane Service, Inc.
Budd A. Elliff, Owner
P.O. Box 11276
Santa Rosa, CA 95406

Reynolds Truck & Crane, Inc.
Rick Reynolds, Owner
11735 Socrates Mine Road
Middletown, CA 95461

2388750.7



Commission Staff Report

December 20, 2016

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: Condor Earth Technologies, Inc. – Five Year Multi-Task Professional Services Agreement for Engineering Services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA and SCPPA Members

AGENDA CATEGORY: Consent

FROM: Ken Speer ^{KS} Assistant General Manager	METHOD OF SELECTION: N/A
Division: Generation Services	
Department: Hydroelectric	

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>

RECOMMENDATION:

Approval of Resolution 17-03 authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Condor Earth Technologies, Inc. for engineering consulting services related to project support and plant operations, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

BACKGROUND:

Various professional and engineering services, such as civil, environmental, geotechnical and structural engineering, mapping and land surveying, construction observation and testing, and other miscellaneous engineering tasks are required from time to time related to project support and plant operations at facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members. Condor Earth Technologies, Inc., is a provider of these services, and has previously provided engineering services to the NCPA facilities.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$1,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

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 currently has in place other enabling agreements with AMEC Environment & Infrastructure, GHD Inc., Black & Veatch, and GEI Consultants for similar services and 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 of the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation below was reviewed by the Facilities Committee on January 4, 2017 and was recommended for Commission approval.

The recommendation below was review by the Lodi Energy Center Project Participant Committee on January 9, 2017 and was approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard", with a stylized flourish at the end.

RANDY S. HOWARD
General Manager

Attachments: (2)

- Resolution
- Multi-Task Professional Services Agreement with Condor Earth Technologies, Inc.

RESOLUTION 17-03

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK PROFESSIONAL SERVICES AGREEMENT WITH
CONDOR EARTH TECHNOLOGIES, INC.

(reference Staff Report #104:17)

WHEREAS, professional and engineering services such as civil, environmental, geotechnical and structural engineering related to project support and plant operations are periodically required at the facilities owned and/or operated by Northern California Power Agency (NCPA), its members, the Southern California Public Power Authority (SCPPA), and SCPPA members; and

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

WHEREAS, on January 9, 2017, the LEC Project Participant Committee approved the agreement with Condor Earth Technologies, Inc., 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 of the California Environmental Quality Act. No environmental review is necessary;

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 Professional Services Agreement with Condor Earth Technologies, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for engineering consulting services related to project support and plant operations 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.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2017 by the following vote on roll call:

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

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
CONDOR EARTH TECHNOLOGIES, INC.**

This agreement for professional services ("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 Condor Earth Technologies, Inc., a corporation with its office located at 21663 Brian Lane, Sonora, CA 95370 ("Consultant") (together sometimes referred to as the "Parties") as of _____, 201_ ("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 Work 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) years 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** 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.

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. 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 \$1,000,000 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 \$1,000,000 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. Consultant shall maintain professional liability insurance appropriate to Consultant's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000) aggregate covering the Consultant's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000) per claim. Such insurance shall be on a "claims-made" basis, subject to the following conditions: (1) the retroactive date of the policy shall be on or before the Effective Date of this Agreement; (2) the policy shall be maintained for at least five (5) years after completion of the Services and, if requested by Agency, evidence of coverage shall be provided during this period; and (3) if, within five (5) years of completion of the Services, coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the Services and, if requested by Agency, provide evidence of coverage during this period.

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, Agency shall have the right to require the Consultant to provide certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA or Agency member for which the Services are to be performed.

- 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. 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.
- 4.6 **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, and volunteers from and against any and all claims that arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Consultant in its performance of Services under this Agreement. Consultant shall bear all 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 ("Liabilities"). Such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the Agency.

Notwithstanding the foregoing, in the event that Consultant defends the Agency and it is ultimately determined or agreed to that the Consultant was either not negligent or was only partially negligent with respect to the loss, liability, claim, suit, action or damages, the Agency agrees that it shall promptly reimburse Consultant for such proportion of the Consultant's costs incurred in defending the Agency that it is not attributable to the negligence of the Consultant.

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.
- 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, Consultant 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, Consultant must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Consultant 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.

Consultant shall be required to submit to the Agency during the contract period, copies of Public Works payroll reporting information per California Department of Industrial Relations, Form A- 1-131 (New 2-80) concerning work performed under this Agreement.

Consultant shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Consultant shall forfeit as a penalty to Agency \$50.00 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 Consultant 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 Consultant.

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 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 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, 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 Ken Speer, 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:

Robert Job, President
Condor Earth Technologies, Inc.
21663 Brian Lane
PO Box 3905
Sonora, CA 95370

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:

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, 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 Services relating to such Member.

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

NORTHERN CALIFORNIA POWER AGENCY

CONDOR EARTH TECHNOLOGIES, INC.

Date _____

Date _____

RANDY S. HOWARD, General Manager

ROBERT JOB, President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

EXHIBIT A

SCOPE OF SERVICES

Condor Earth Technologies, Inc., ("Consultant") shall provide consulting services, as requested by the Northern California Power Agency ("Agency"), Agency Members, the Southern California Public Power Authority (SCPPA), or SCPPA members, including, without limitation:

- Engineering Consulting;
- Civil, Environmental, Geotechnical, and Structural Engineering;
- Engineering Geology;
- Mapping / Surveying / GIS;
- Development of Construction Drawings, Plans, Specifications, Technical Documents, Reports and Presentations;
- Construction Observation and Testing;
- Chemical Risk Management/Compliance
- Water Reuse/Groundwater Supply
- WDR/NPDES Services
- Environmental Assessment and Remediation
- Storm Water Management
- Groundwater Sustainability Management Act (GSMA) Services, and Other Miscellaneous Engineering Tasks.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

CONDOR EARTH TECHNOLOGIES, INC.
PREVAILING WAGE SCHEDULE OF FEES
AUGUST 2016 – JULY 2017

<u>STAFF MEMBER</u>	<u>RATE PER HOUR (\$)</u>
PRINCIPALS/PROJECT MANAGEMENT	
Senior Principal.....	220.00
Principal Engineer/Geologist.....	195.00
Project/Senior Manager.....	160.00
TECHNICAL	
Senior Tunneling Consultant	200.00
Senior Geotechnical Engineer.....	185.00
Certified Hydrogeologist/Engineering Geologist	175.00
Senior Geologist/Engineer/Environmental Specialist.....	165.00
Associate Geologist/Engineer/Environmental Specialist.....	135.00
Staff Geologist/Engineer/Environmental Specialist.....	120.00
Engineering Assistant	100.00
Field Environmental Services (Group 2)	111.00
Draftsperson.....	90.00
MATERIALS TESTING	
Material Technician (Group 1)	119.00
Material Technician (Group 2)	113.00
Material Technician (Group 3)	100.00
Material Technician (Group 4)	93.00
Senior Materials Technician (non-PW)	85.00
SUPPORT STAFF	
MTSI Project/Laboratory Manager.....	105.00
Administrative Specialist.....	95.00
Project Coordinator.....	85.00
Technical Editor.....	70.00
Administrative Assistant.....	65.00
MISCELLANEOUS	
Overtime (all Saturday work is overtime).....	(1.3 times base rate)
Double-time (all Sundays and Holidays).....	(1.7 times base rate)
Litigation Support.....	250.00 – 350.00
NON-LABOR CHARGES	
Vehicle charge:	
\$50 per day plus 50 cents per mile	
Laboratory Charges per Condor Laboratory Fee Schedule	
Billable Field Equipment per Condor Billable Field Equipment Schedule	

OUT-OF-POCKET EXPENSES

Billed at cost plus 15% and includes such items as travel expenses, equipment rental, laboratory fees, subcontractors, postage and freight, subcontracted printing or reproduction fees, supplies, etc.

CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS GROUP CLASSIFICATIONS

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>
ASNT Level II-III	AWS-CWI	Geotechnical Driller	ACI
DSA Masonry	ICC Certified Structural Inspector	Soils/Asphalt	Drillers Helper
DSA Shotcrete	NICET Level III	Earthwork Grading	ICC Fireproofing
Lead Inspector	Shear Wall/Floor System Inspector	Excavation and Backfill	Proofload
NICET Level IV	Building/Construction Inspector	NICET Level II	Testing
NDT Level Two			Torque Testing
			NDT Level One

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

The rates set forth above are valid from August 2016 – July 2017 and may be subject to an annual escalation of up to 5% per year, effective upon 30 days' prior written notice to NCPA.

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,

(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

(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.

**RESOLUTION NO. 17-05
RESOLUTION OF THE COMMISSION OF THE
NORTHERN CALIFORNIA POWER AGENCY**

COMMENDING

DONNA I. STEVENER

WHEREAS, Donna I. Stevener has brought to a noteworthy conclusion to her outstanding and duly appreciated eleven years of service to the Northern California Power Agency; and

WHEREAS, Donna was hired in 2005, as the Chief Financial Officer and Assistant General Manager for the Administrative Services Business Unit; and

WHEREAS, Donna has seen the Agency through difficult financial periods, which she skillfully managed and provided leadership to the benefit of the employees and Agency members; and

WHEREAS, Donna has exhibited keen judgment in leading debt management, refunding, balancing budgets, and with the activities of the Finance Committee and Risk Oversight Committee activities for the benefit of the members; and

WHEREAS, Donna had a leadership role in the development of the Lodi Energy Center Project, including contract development and governance documents associated with the project and then leading the financing of the project; and

WHEREAS, Donna led the effort in modernizing all of the administrative procedures including the purchasing policies and procedures; and

WHEREAS, Donna and her team developed the information system necessary to bid, schedule and settle in the CAISO MRTU market redesign; and

WHEREAS, Donna has moved the Agency forward through each challenging day with a positive approach, and each year the most creative Halloween costume; and

WHEREAS, Donna will have an everlasting place in the hearts of our Agency, members and staff; and

NOW, THEREFORE BE IT RESOLVED by the Commission of the Northern California Power Agency, that this Agency, its members, and its employees heartily commend and thank Donna Stevener for her service as Chief Financial Officer and Assistant General Manager to this Agency.

PASSED AND ADOPTED BY ACCLAMATION, on this 19TH day of January 2017.

BOB LINGL
CHAIR

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY





Commission Staff Report

January 10, 2017

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: Approval of Amendment No. 3 to the BART Single Member Services Agreement

AGENDA CATEGORY: Consent

FROM:	David Dockham <i>D. Dockham</i>	METHOD OF SELECTION:
	AGM, Power Management	N/A
Division:	Power Management	<i>If other, please describe:</i>
Department:	Industry Restructuring	NONE

IMPACTED MEMBERS:

All Members	<input 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 checked="" 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>	

RECOMMENDATION:

NCPA staff recommends that the Commission adopt and approve Amendment No. 3 to the BART SMSA, which includes a revised Attachment A that is attached to and made part of the BART SMSA, and authorize the General Manager of NCPA to execute Amendment No. 3 to the BART SMSA, on behalf of NCPA, including any non-substantive modifications to Amendment No. 3 to the BART SMSA approved by NCPA's General Counsel.

BACKGROUND:

The San Francisco Bay Area Rapid Transit District ("BART") takes services from Northern California Power Agency ("NCPA") pursuant to a combination of agreements, including a Single Member Services Agreement ("BART SMSA"), the Power Management and Administrative Services Agreement ("PMASA"), the Amended and Restated Facilities Agreement ("FA"), and the Amended and Restated Scheduling Coordination Program Agreement ("SCPA").

Pursuant to the terms and conditions of the BART SMSA, NCPA supplies certain transactional services, portfolio management services, and Advisory Services to BART as further described in Attachment A, which is a confirmation that is attached to and made part of the BART SMSA. NCPA staff, in coordination with BART, have developed an amended and restated Attachment A to include a revised set of services to be supplied by NCPA to BART. Pursuant to Amendment No. 3 to the BART SMSA, Attachment A to the BART SMSA shall be replaced in its entirety by the amended and restated Attachment A as attached to Amendment No. 3 to the BART SMSA and incorporated therein by reference.

Amendment No. 3 to the BART SMSA has been attached to this staff report for your reference.

ATTACHMENT A:

Attachment A to the BART SMSA is being amended and restated to further clarify the services NCPA shall supply to BART under the BART SMSA. The following is a summary of the revisions to Attachment A: (i) added language to clarify that Attachment A contains the services provided by NCPA that are not otherwise supplied to BART under the PMASA, FA or SCPA, (ii) added certain references to BART's Distribution and Transmission Interconnection Agreements with PG&E, (iii) added an additional service whereby NCPA may acquire the services of a Third Party, on behalf of BART, to supply consulting and advice services related to electric transmission, generation and regulatory support, and (iv) added miscellaneous provisions to clarify the process used to amend and terminate Attachment A.

FISCAL IMPACT:

Costs associated with development of Amendment No. 3 to the BART SMSA are included in the FY 2017 annual budget. All costs associated with NCPA's provision of services to BART pursuant to the BART SMSA are determined and allocated through the annual budget process.

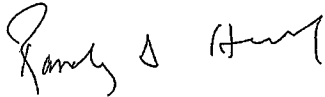
ENVIRONMENTAL ANALYSIS:

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 Facilities Committee on January 4, 2017, and was recommended for Commission approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard". The signature is written in a cursive style with a large initial "R" and "H".

RANDY S. HOWARD
General Manager

Attachments: 2

RESOLUTION 17-06

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVAL OF AMENDMENT NO. 3 TO THE BART SINGLE MEMBER SERVICES
AGREEMENT**

(reference Staff Report #109:17)

WHEREAS, the San Francisco Bay Area Rapid Transit District ("BART") takes services from Northern California Power Agency ("NCPA") pursuant to a combination of agreements, including a Single Member Services Agreement ("BART SMSA"), the Power Management and Administrative Services Agreement ("PMASA"), the Amended and Restated Facilities Agreement ("FA"), and the Amended and Restated Scheduling Coordination Program Agreement ("SCPA"); and

WHEREAS, pursuant to the terms and conditions of the BART SMSA, NCPA supplies certain transactional services, portfolio management services, and Advisory Services to BART as further described in Attachment A, which is a confirmation that is attached to and made part of the BART SMSA; and

WHEREAS, NCPA staff, in coordination with BART, have developed an amended and restated Attachment A to include a revised set of services to be supplied by NCPA to BART; and

WHEREAS, pursuant to Amendment No. 3 to the BART SMSA, Attachment A to the BART SMSA shall be replaced in its entirety by the amended and restated Attachment A as attached to Amendment No. 3 to the BART SMSA and incorporated therein by reference; and

WHEREAS, Attachment A to the BART SMSA is being amended and restated to further clarify the services NCPA shall supply to BART under the BART SMSA. The following is a summary of the revisions to Attachment A: (i) added language to clarify that Attachment A contains the services provided by NCPA that are not otherwise supplied to BART under the PMASA, FA or SCPA, (ii) added certain references to BART's Distribution and Transmission Interconnection Agreements with PG&E, (iii) added an additional service whereby NCPA may acquire the services of a Third Party, on behalf of BART, to supply consulting and advice services related to electric transmission, generation and regulatory support, and (iv) added miscellaneous provisions to clarify the process used to amend and terminate Attachment A; and

WHEREAS, costs associated with development of Amendment No. 3 to the BART SMSA are included in the FY 2017 annual budget, and all costs associated with NCPA's provision of services to BART pursuant to the BART SMSA are determined and allocated through the annual budget process; 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.

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency adopts and approves Amendment No. 3 to the BART SMSA, which includes a revised Attachment A that is attached to and made part of the BART SMSA, and authorizes the General Manager of NCPA to execute Amendment No. 3 to the BART SMSA, on behalf of NCPA, including any non-substantive modifications to Amendment No. 3 to the BART SMSA approved by NCPA's General Counsel.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2017 by the following vote on roll call:

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

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

SINGLE MEMBER SERVICES AGREEMENT
Between
Northern California Power Agency
and
San Francisco Bay Area Rapid Transit District

AMENDMENT NO. 3

This Amendment No. 3 ("Amendment No. 3") to the Single Member Services Agreement for Special Transactions by and between the Northern California Power Agency ("NCPA") and the San Francisco Bay Area Rapid Transit District ("BART") dated as of December 1, 2005, as such may be amended from time to time, (the "BART SMSA") is made this ___ day of _____, 20__ with reference to the following facts, among others:

- A. Pursuant to the terms and conditions of the BART SMSA, NCPA supplies certain transactional services, portfolio management services, and Advisory Services to BART as further described in Attachment "A", which is attached to and made part of the BART SMSA. The Parties desire to amend and restate Attachment "A" to include a revised set of services to be supplied by NCPA to BART.

Therefore, the Parties agree as follows:

- 1. Attachment "A" to the BART SMSA is replaced in its entirety by Attachment "A" as attached to this Amendment No. 3 and incorporated herein by this reference.

The Parties have caused this Amendment No. 3 to be executed on the date as set forth above.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT
300 Lakeside Drive, 16th Floor
Oakland, CA 94612

By: Randy S. Howard
Title: General Manager
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

SINGLE MEMBER SERVICES AGREEMENT
Between
Northern California Power Agency
and
San Francisco Bay Area Rapid Transit District

ATTACHMENT "A"

This Attachment "A" is attached to and made part of that certain Single Member Services Agreement for Special Transactions by and between the Northern California Power Agency ("NCPA") and the San Francisco Bay Area Rapid Transit District ("BART") dated as of December 1, 2005, as such may be amended from time to time ("BART SMSA").

The BART SMSA and this Attachment "A" are established, in part to enable NCPA to provide Services to BART, and to enter into certain Transactions on behalf of BART, and to provide technical services and advice to BART in support of its need to forecast, plan, contract, schedule, adjust, and perform other activities related to acquiring electrical energy and capacity to serve the BART system load requirements, consistent with the California Independent System Operator ("CAISO") Tariff, Transmission Interconnection Agreement, and Distribution Agreement.

BART is a signatory participant to the PMASA, SCPA, and FA, under which NCPA supplies certain services to BART, as further described in each respective agreement. For the purpose of clarity, this Attachment "A" is made to supply Services to BART that are not otherwise provided to BART pursuant to the PMASA, SCPA, or FA. In the case where Services provided pursuant to this Attachment "A" overlap or conflict with services provided under the PMASA, SCPA, or FA, the provision of such services, and the methodology used for allocating costs attributed to the provision of such services, shall be governed by the PMASA, SCPA, or FA, as applicable.

BART, in obtaining the services and advice from NCPA pursuant to this Attachment "A", will be utilizing certain Power Management and Administrative Services provided by NCPA. Direct costs attributed to Services provided in accordance with this Attachment "A" shall be allocated and charged to BART in accordance with the BART SMSA. Power Management and Administrative Services Costs attributed to Services provided in accordance with this Attachment "A" shall be allocated and charged to BART in accordance with the PMASA.

Section 1. Definitions.

1.1 Definitions. Whenever used in this Attachment "A", the following terms shall have the following respective meanings, provided, capitalized terms used in this Attachment "A" that are not defined in Section 1 of this Attachment "A" shall have the meaning indicated in the BART SMSA or Section 1 of the Power Management and Administrative Services Agreement.

1.1.1 "Amended and Restated Facilities Agreement" or "Facilities Agreement" or "FA" means that agreement dated as of October 1, 2014 between NCPA and the Members who are signatories to that agreement which establishes the framework under which Project Agreements are created for the development, design, financing, construction, and operation of NCPA Projects, as such agreement now exists or may hereafter be amended.

1.1.2 "Amended and Restated Scheduling Coordination Program Agreement" or "Scheduling Coordination Program Agreement" or "SCPA" means that agreement dated as of October 1, 2014 between NCPA and the Members who are signatories to that agreement by which NCPA provides Scheduling Coordination Services, as such agreement now exists or may hereafter be amended.

1.1.3 "Congestion Revenue Right" or "CRR" means a CRR Obligation or CRR Option.

1.1.4 "CRR Obligation" means a financial instrument that entitles the holder to a payment when congestion is in the direction of the CRR source to CRR sink specification and imposes on its holder a charge when congestion is in the opposite direction of the CRR source and CRR sink specification pursuant to the CAISO Tariff.

1.1.5 "CRR Option" means a financial instrument that entitles its holder to a payment when congestion is in the direction of the CRR source to CRR sink specification.

1.1.6 "Distribution Agreement" means the Updated Agreement between San Francisco Bay Area Rapid Transit District and Pacific Gas and Electric Company for Specified CPUC Jurisdictional Electrical Services dated September 22, 2016, as such agreement now exists or may hereafter be amended.

1.1.7 "Power Management and Administrative Services Agreement" or "PMASA" means the NCPA Power Management and Administrative Services Agreement, dated as of October 1, 2014 between NCPA and the Members who are signatories to that agreement by which NCPA provides Power Management and Administrative Services, as such agreement now exists or may hereafter be amended.

1.1.8 "Transmission Interconnection Agreement" means the Transmission Interconnection Agreement between the San Francisco Bay Area Rapid Transit District and Pacific Gas and Electric Company, Service Agreement No. 323 under PG&E FERC Electric Tariff Volume No. 5 dated September 23, 2016, as such agreement now exists or may hereafter be amended.

Section 2. Services. This Attachment "A" is entered into by the Parties in order for NCPA to provide services to BART as described in Section 2 of this Attachment "A" ("Services"). NCPA, in coordination with BART, shall perform the following Services on behalf of BART:

- 2.1 NCPA shall act as BART's Operating Entity, and in such capacity shall perform the duties of an Operating Entity as set forth in the SCPA and FA. For the purpose of clarity, upon termination of this Attachment "A", BART shall reassume the duties of an Operating Entity as set forth in the SCPA and FA.
- 2.2 Providing pre-scheduling and central dispatch services for BART's loads and supply resources.
- 2.3 Developing short-term and medium-term load and resource balance information, to support procurement and planning activities conducted on behalf of BART pursuant to this Attachment "A".
- 2.4 Optimizing BART's Western Base Resource supply.
- 2.5 Creating and managing E-Tags for BART's interchange transactions.
- 2.6 Developing load forecasts for BART.
- 2.7 Nominating and bidding activities to acquire and transact Congestion Revenue Rights, including long-term Congestion Revenue Rights, and managing Congestion Revenue Rights holding on behalf of BART.
- 2.8 Creating and submitting Resource Adequacy compliance filings.
- 2.9 Entering into Balance of Month Transactions and transactions for a term less than balance-of-month for purchasing and selling energy, capacity, transmission capacity, and other related services and products on behalf of BART, to satisfy BART's obligations as set forth in the CAISO Tariff and the Transmission Interconnection Agreement.
- 2.10 Acquiring GHG Compliance Instruments on behalf of BART to fulfill a GHG emission compliance obligation imposed by the State or federal government incurred by NCPA or BART resulting from activities conducted pursuant to this Attachment "A".
- 2.11 Performing risk analysis and management to mitigate risks associated with transactional activities conducted pursuant to this Attachment "A".

- 2.12 Providing, or acquiring the services of a Third Party to supply, meter data management agent services, whereby NCPA, in coordination with BART shall obtain, process, adjust, validate and maintain BART's settlement quality meter data in accordance with the CAISO Tariff, the Meter Service Agreement for Scheduling Coordinators, and/or other rules adopted or enforced by BART's Local Regulatory Authority, as applicable, to be used for multiple purposes, including, but not limited to settlement and settlement validation. To the extent NCPA acquires meter data management agent services on behalf of BART from a Third Party supplier, BART shall be responsible for all costs associated with such services, and all costs associated with NCPA's acquisition of meter data management agent services from a Third Party shall be charged to BART. NCPA shall only enter into or amend an agreement to acquire meter data management agent services upon confirmation and authorization provided by BART.
- 2.13 Providing, or acquiring the services of a qualified Third Party to provide, consulting and advice services related to electric transmission, power generation, regulatory support, contracts, compliance and electric market issues, analysis, program design, program review, implementation support and other services to facilitate BART's transition to distribution and transmission services under the respective Distribution Agreement, Transmission Interconnection Agreement, and the CAISO Tariff. To the extent NCPA acquires such services on behalf of BART from a qualified Third Party supplier, BART shall be responsible for all costs associated with such services. NCPA shall only enter into or amend an agreement to acquire such services upon confirmation and authorization provided by BART; provided, however, if at the time this Attachment "A" becomes effective, as set forth in Amendment No. 3 to the BART SMSA dated _____, NCPA has previously entered into an agreement with a qualified Third Party under which NCPA may acquire the services contemplated in this Section 2.13 (the "Existing Consulting Services Agreement"), NCPA may provide services to BART using the Existing Consulting Services Agreement, but NCPA shall only request services under the Existing Consulting Services Agreement upon prior confirmation and authorization provide by BART.

Section 3. Acquisition of GHG Compliance Instruments.

The California Air Resources Board ("CARB"), through the requirements established under the GHG Regulations, may impose obligations on NCPA to report GHG emissions caused by performing the Services under the BART SMSA and this Attachment "A", and to surrender to the CARB GHG Compliance Instruments for such emissions.

NCPA shall acquire GHG Compliance Instruments to satisfy any GHG compliance obligations that result from NCPA's provision of Services under the BART SMSA and this Attachment "A",

including, but not limited to, the purchase and sale of interchange transactions (e.g., energy imports, exports and associated e-tags). All costs associated with NCPA's acquisition of GHG Compliance Instruments shall be charged to BART.

BART may utilize other authorizing agreements (e.g., Amended and Restated Market Purchase Program Agreement) to acquire GHG Compliance Instruments to satisfy any requirements resulting from the Services provided herein, provided, however, NCPA shall have the right to procure any required and as yet unattained GHG Compliance Instruments associated the Services provided hereunder. NCPA shall seek BART's prior approval before procuring an amount of GHG Compliance Instruments that are measured in excess of the amounts or terms required or caused by performing the Services under this Attachment "A".

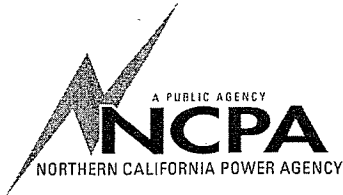
On a monthly basis, NCPA shall timely invoice BART in the All Resources Bill, based on NCPA's estimate for BART's share of costs associated with GHG compliance, such that NCPA shall have on hand at all times sufficient funds and or GHG Compliance Instruments from BART projected to meet the full estimate of BART's then current compliance obligation.

Section 4. Waiver of Risk Disclosure Statement. BART, by executing this Confirmation, acknowledges that it is aware of and has fully considered the risks inherent in consummating the transactions contemplated herein, including but not limited to market based risks inherent in scheduling, negotiating and maintaining electric resources supply, and based on such understanding of the risks BART waives NCPA's obligation to develop and provide the following risk disclosure statements as required under the BART SMSA: Contract Form Risk Disclosure Statement, Counterparty Risk Disclosure Statement, and Contract Damages Risk Disclosure Statement.

Section 5. Miscellaneous.

5.1 Termination. Either Party may, at any time terminate this Attachment "A" on a date at least one (1) year after delivery of a written notice of termination to the other Party; provided, however, no termination shall become effective until the termination of any Third Party agreement for meter data management agent services entered into pursuant to this Attachment "A".

5.2 Amendments. Except where the BART SMSA may provide otherwise, this Attachment "A" may be amended only by written instrument executed by the Parties with the same formality as the BART SMSA.



Commission Staff Report

Date: January 11, 2017

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: Approval of Long-Term Funding Plan for NCPA's Employee Pension Program

AGENDA CATEGORY: Discussion/Action

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 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:

That the NCPA Commission direct staff to incorporate the proposed Long-Term Funding Plan for NCPA's Employee Pension Program in the FY2018 Budget subject to final review and recommendation of approval by the Finance Committee.

BACKGROUND:

In 1981, NCPA adopted a Simplified Employee Pension (SEP)/Individual Retirement Account (IRA) plan to provide retirement benefits for the small number of existing employees and for future employees. The Agency originally adopted the plan because: 1) it was easy to implement; and 2) it was perceived as simple to administer. Over the years, the Agency explored changing its retirement plan a number of times. The CalPERS retirement plan had been adopted by most of the Agency's members and was seen as being very successful for them because most Agency members participating in the plan had been paying little for years because of CalPERS' ability to pool investment of assets and amortize losses over a 20-year period.

NCPA executed an agreement to join the CalPERS retirement system April 7, 2002. Ratification of the agreement created an immediate unfunded liability of \$13.5 million for the Agency. That liability has grown substantially over the following years. CalPERS performs an actuarial study each year for the pension plan. The unfunded liability in the December 2016 report increased from the 2015 report as follows:

	In Millions	
	2015	2016
Entry Age Normal Accrued Liability	\$130.73	\$138.92
Market Value of Assets (MVA)	74.80	78.0
Unfunded Liability	\$55.93	\$60.95
Funded Ratio	57.2%	56.1%
Employer Normal Cost	\$2.04	\$1.96
Unfunded Liability Contribution	3.94	4.32
Estimated Total Employer Contribution	\$5.98	\$6.28

The large increase of the unfunded liability from \$55.9 million to \$60.9 million, or 8.97%, and the reduction in funding level from 57.2% funded to 56.1% is primarily due to a lower than projected return on asset investments. The prior year actuarial assumed a gross 7.65% return on investment while actual gross returns for 2015 were 2.4%. On December 21, 2016, CalPERS issued an official notification that its Board of Administration voted to lower the discount rate from 7.5% to 7% over the next three years with a one-year lag for school and public agencies. CalPERS projects that over the three years the average employer will see a one to two percent increase of normal cost as a percent of payroll and a 30 to 40 percent increase in the current unfunded liability.

Prudent financial planning suggests that the development of a long-term plan to move this unfunded liability above a minimum 80% funding threshold is needed. Rating agencies such as Standard and Poor's include the funding of pension and other post retirement obligations as part

of their assessment of a company's credit rating, and recent reports have indicated that a funding level less than 80% has a negative impact of their assessment of the company.

In addition, NCPA is actively seeking new members to improve economies of scale and reduce costs for the current membership. Large liabilities such as the pension liability could deter potential new members from joining or existing members from participating in future projects.

Another reason to address the issue now is the possible lifecycle/economic shutdown of NCPA projects. Project participants are considering options to close both the CT1 and CT2 projects within the next ten years. As end of life decisions are made for these projects, large liabilities related to the employees at these facilities will be a consideration in the decision of when to decommission. Earlier funding of the liability will make it much easier to evaluate options for these plants' projects.

Based on the above, the Finance Committee has considered the components of a Long-Term Funding Plan for the NCPA's Employee Pension Program. After consideration, including projected budget impacts by each member, the Finance Committee recommends that the Commission approve a formal long-term funding plan (attached) with the following components:

- 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 employer required contribution each year
- Shorten the amortization period used in the CalPERS actuarial calculations from 30 years to 15 years and fund an increased annual employer required contribution of \$1,455,070
- Research other ways to limit pension liability going forward
- Review plan funding annually with Finance Committee in conjunction with CalPERS actuarial study issuance. The Chair of the Finance Committee will provide an annual report of the progress of reducing the unfunded liability and provide proposals to limit the pension liability going forward.

FISCAL IMPACT:

Adoption of the funding plan as outlined would increase annual NCPA contributions for the pension plan by \$1,455,070. Cost allocation is based on labor costs for each NCPA program and project. Labor costs are allocated based on project or program participation percentages and allocation methods per the budget. A schedule that reflects projected fiscal impact by member is attached.

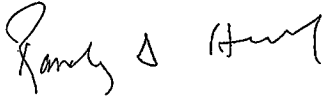
ENVIRONMENTAL ANALYSIS:

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 Finance Committee reviewed and recommended approval of the Long-Term Funding Plan for NCPA's Employee Pension Program during a Special Finance Committee meeting on January 9, 2017 subject to the budget review process for fiscal year 2018 that includes the Committee's review of proposed final budget figures.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard". The signature is written in a cursive style with a large initial "R" and "H".

RANDY S. HOWARD
General Manager

Attachments:

- Analysis of Funding by Member
- Resolution 17-04
- PowerPoint Presentation
- Long-Term Funding Plan for NCPA Employee Pension Program

FISCAL IMPACT BY MEMBER

Participant	2018 Pension Increase - 15 Yr Funding of Liability
Alameda	154,324
BART	41,611
Biggs	6,516
Gridley	12,636
Healdsburg	37,574
Lodi	156,705
Lompoc	45,350
Palo Alto	109,034
Plumas Sierra	25,902
Port of Oakland	12,951
Redding	8,641
Roseville	100,929
Santa Clara	508,151
Truckee-Donner	2,647
TID	34,053
Ukiah	54,605
Azusa	8,045
CDWR	96,748
MID	30,943
PWRPA	7,705
	1,455,070

RESOLUTION 17-04

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A LONG-TERM FUNDING PLAN FOR NCPA'S EMPLOYEE PENSION PROGRAM

(reference Staff Report #108:17)

WHEREAS, the Northern California Power Agency ("NCPA") joined the California Public Employees' Retirement System (CalPERS) pension plan in April 2002; and

WHEREAS, CalPERS performs an updated actuarial report annually, and the purpose of the report is to: 1) set forth the assets and accrued liabilities of this plan as of the report date; 2) determine the required employer contributions for the applicable fiscal year; and 3) provide actuarial information as of the report date to the CalPERS Board of Administration and other interested parties.

WHEREAS, in December 2016, NCPA received the most recent actuarial valuation for the Miscellaneous Plan which resulted in a large increase in the unfunded liability (from \$55.9 million to \$60.9 million, or 8.97%) and reduction in funding level (57.2% funded to 56.1%) primarily due to a lower than projected return on asset investments; and

WHEREAS, the NCPA Finance Committee recommends that the Commission approve a formal long term funding plan to ensure that the Pension Plan is funded at a minimum level of 80% within 15 years and continued funding of the annual required employer contribution at 100%; 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 NCPA adopts the long-term funding plan for NCPA's Employee Pension Program attached to this Resolution and direct the General Manager to add the proposed expense to the annual labor and benefit budget.

BE IT FURTHER RESOLVED, that the Commission direct the Chair of the Finance Committee to provide an annual report to the full Commission on the progress of reducing the unfunded liability and proposals to limit the pension liability going forward.

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

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

BOB LINGL
CHAIRPERSON

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

Long-Term Funding Plan for NCPA's Employee Pension Program

December 29, 2016

Background

In 1981, NCPA adopted a Simplified Employee Pension (SEP)/Individual Retirement Account (IRA) plan to provide retirement benefits for the small number of existing employees and for future employees. The Agency originally adopted the plan because: 1) it was easy to implement; and 2) it was perceived as simple to administer. Over the years, the Agency explored changing its retirement plan a number of times. The California Public Employees' Retirement System (CalPERS) retirement plan had been adopted by most of the Agency's members and was seen as being very successful for them as at the time, most Agency members participating in the plan had been paying little for years because of CalPERS' ability to pool investment of assets and amortize losses over a 20-year period.

NCPA executed an agreement to join the CalPERS retirement system April 7, 2002. Ratification of the agreement created an immediate unfunded liability of \$13.5 million for the Agency. CalPERS performs an actuarial study each year for the pension plan. In December 2016, NCPA received the most recent actuarial valuation for the Miscellaneous Plan which resulted in a large increase in the unfunded liability (from \$55.9 million to \$60.9 million, or 8.97%) and reduction in funding level (57.2% funded to 56.1%) primarily due to a lower than projected return on asset investments.

To stabilize the Pension Plan and reduce the unfunded liability over a shorter amortization period, staff recommends that the Finance Committee recommend adoption of the following long term funding plan to the Commission.

Plan Elements

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 employer required contribution each year

Best practices and guidelines from the various credit rating agencies indicate that a minimum funding level of 80% is desired, as well as funding 100% of the employer required contribution. NCPA's current practice is to fund 100% of the employer required contribution; however, the Agency's current funding ratio is 56.1%.

2. Shorten the amortization period used in the actuarial calculations from 30 years to 15 years


This strategy will increase the employer required contribution by approximately \$1,455,070 a year, but will shorten the period of payments for the liability, similar to refinancing a mortgage over 15 years versus 30 years. Funding of this additional payment will begin in FY2018.

3. Research other ways to limit pension liability going forward

This long-term strategy includes researching other ways to limit pension liability by placing additional contributions into non-CalPERS retirements trusts such as the Public Agency Retirement Services (PARS) Pension Rate Stabilization Program (PRSG). This would diversify the investment portfolio for pension assets.

4. Review plan funding annually with Finance Committee in conjunction with CalPERS actuarial study issuance and recommend updates as needed


As with every strategy, periodic review is important. In accordance with best practices, NCPA will assess the annual CalPERS actuarial study and the updated funding levels and make recommendations for revision as needed to the Finance Committee. The Chair of the Finance Committee will provide an annual report of the progress of reducing the unfunded liability and provide proposals to limit the pension liability going forward.

 NORTHERN CALIFORNIA POWER AGENCY

Long-term Funding Plan for NCPA's Employee Pension Program

Commission Meeting
January 19, 2016

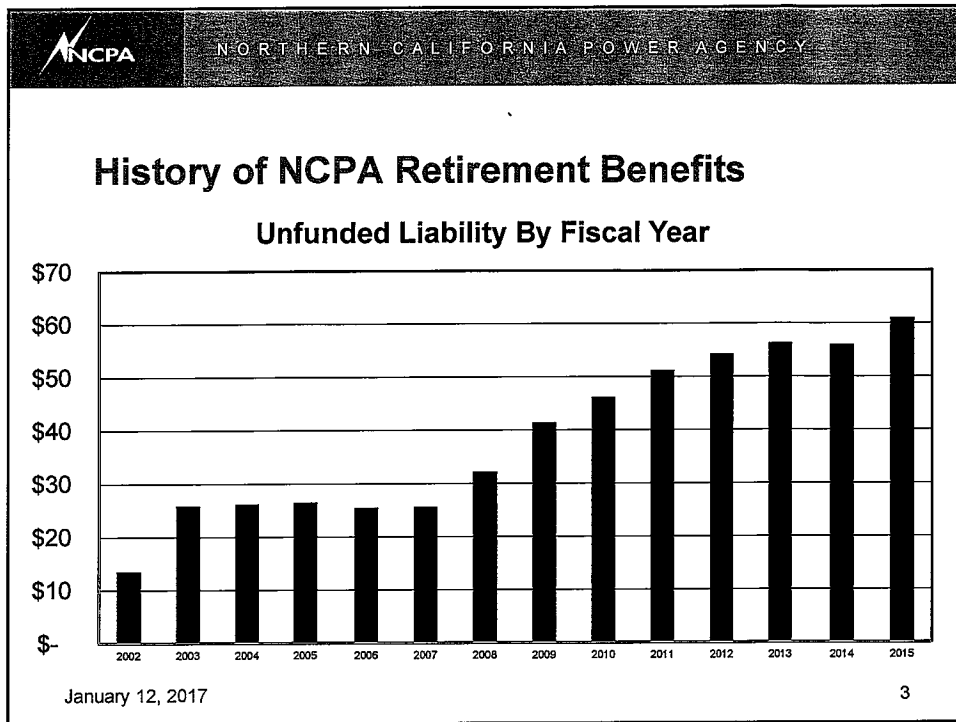
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 NORTHERN CALIFORNIA POWER AGENCY

The Issue

- NCPA joined the CalPERS system in 2002 which created an immediate \$13.5 million unfunded liability
- Growth in payroll, changes in actuarial assumptions and market losses to assets during the recession have increased the unfunded liability to \$61 million over the last 12 years
- Prudent financial planning suggests development of a plan to fully fund this obligation over a period of less than 30 years
- Savings from accelerated amortization range from approximately \$10 million to \$61 million depending on years


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Quantifying the Issue

	In millions 2014	In millions 2015
▪ Accrued Actuarial Liability	\$130.7	\$138.9
▪ Assets	74.8	78.0
▪ Unfunded AAL	\$55.9	\$60.9
▪ Funded %	57.2%	56.1%
▪ Unfunded Accrued Liability Payment (UAL)	\$3.9	\$4.3

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 NORTHERN CALIFORNIA POWER AGENCY

Reasons to Stabilize the Pension Plan


- Minimum funding of post retirement obligations per Rating Agency recommendations is 80%;

From S & P Report:
 Qualitative Factors Negatively Affecting The Initial Assessment Include:
 Concerns about pension funding, which could be evidenced by a funded ratio of less than 80%, an actuarial study that is more than three years old, or a trend of not fully funding the annual required contribution for the pension or postemployment benefits

- NCPA is actively seeking new members to improve economies of scale; a large liability may be a negative factor in expanding membership
- End of life is approaching for certain plants; risk of stranded assets in a changing market; funding of liability could occur sooner

RatingsDirect
 U.S. Local Government: Growing Tax Base And Good Management Underpin Stable Outlook, Despite Some Pension And O&M Stress

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 NORTHERN CALIFORNIA POWER AGENCY

Strategies Proposed

- Review impact of shorter amortization of unfunded liability
 - Looked at various scenarios and impact (by program/project and then by member)
- Research additional options to limit liability

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NCPA NORTHERN CALIFORNIA POWER AGENCY

Proposed Long-term Funding Plan for Pension

▪ Options considered:

	Annual Change From 2017 UAL	Changes between Scenarios	Percent increase to NCPA budget \$650.3mm	Estimated Savings over 30 years
2017 UAL	\$4,321,000			
20 Yr Funding	5,388,600	\$ 1,067,600	0.16%	\$ 9,835,186
15 Yr Funding	5,776,000	\$ 1,455,000	\$ 387,400	0.22% \$ 29,915,473
10 Yr Funding	7,680,000	\$ 3,359,000	\$ 1,904,000	0.52% \$ 46,961,129
8 Yr Funding	9,251,000	\$ 4,930,000	\$ 1,571,000	0.76% \$ 53,028,372
5 Yr Funding	14,123,000	\$ 9,802,000	\$ 4,872,000	1.51% \$ 61,403,570

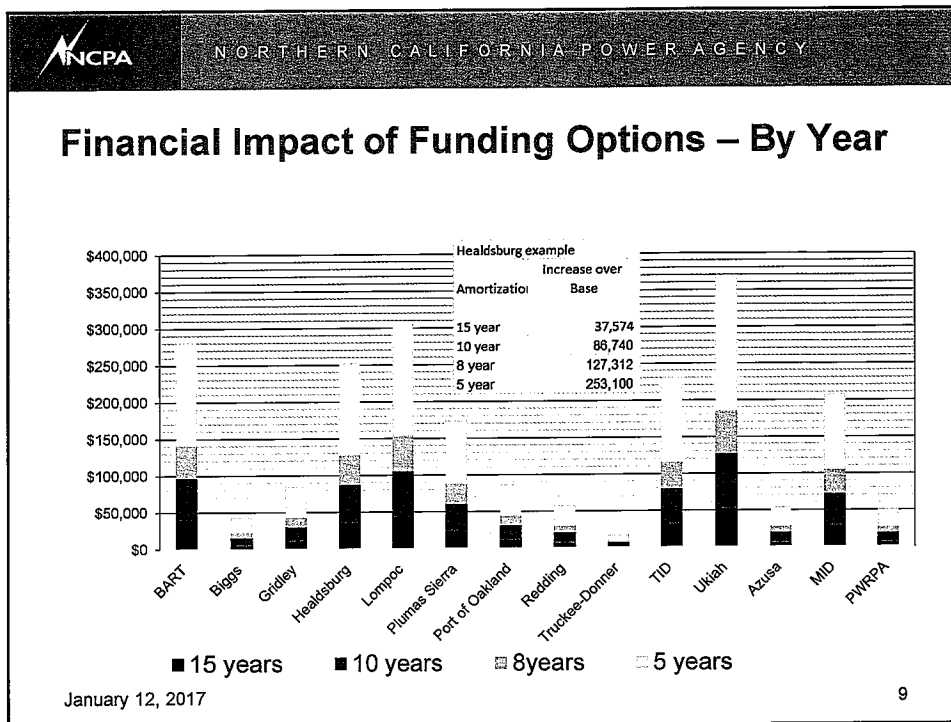
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NCPA NORTHERN CALIFORNIA POWER AGENCY

Financial Impact of Funding Options – By Year

Amortization period	Increase over Base
15 year	\$ 154,324
10 year	356,261
8 year	522,900
5 year	1,039,547

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- Recommendation**
- Establish plan to reduce pension liability including:
 - Establish goal to obtain minimum 80% funding level and confirm 100% funding of required employer contribution
 - Shorten amortization of unfunded liability from 30 years to 15 years beginning FY18
 - Research further ways to limit pension liability
 - Consider using budget savings each year to offset the additional cost uplift
 - Using new Actuarial Valuation each year, adjust plan as necessary
 - Finance Committee Chair update Commission on funding status and propose ways to limit liability
- January 12, 2017



Questions? Comments?

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Commission Staff Report

Date: January 13, 2017

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: Letter Agreement to Award General Manager Additional Paid Administrative Leave for Calendar Year 2017

AGENDA CATEGORY: Discussion/Action

FROM:	Vicki L. Cichocki <i>VLC</i>	METHOD OF SELECTION:
	Human Resources	N/A
Division:	Executive Services	<i>If other, please describe:</i>
Department:	Human Resources	

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>

RECOMMENDATION:

The Executive Committee recommends the Commission approve the General Manager's 2017 performance goals. In addition, the Executive Committee recommends that the Commission adopt a resolution authorizing the Chair of the Commission to provide the General Manager a letter granting forty (40) hours of additional paid administrative leave (that may not be cashed out) for use in 2017.

BACKGROUND:

The General Manager's Employment Agreement stipulates that the Executive Committee will conduct an annual performance planning and evaluation process with the General Manager in October of each year or as otherwise agreed upon by the General Manager and the Executive Committee. In addition, the Employment Agreement states the Executive Committee shall report to the Commission regarding the General Manager's performance plan and performance evaluation, including any recommended changes to the General Manager's annual salary or benefits. The Executive Committee report shall also include performance -based goals for the upcoming year, and may include provisions for the payment of a bonus for the General Manager. Any proposed changes to the General Manager's Employment Agreement must be reviewed and approved by the Commission in open session.

The Executive Committee has now completed its review of the General Manager's performance for 2016. The Executive Committee indicated it was pleased with the General Manager's performance and in lieu of a salary adjustment, at this point in time, recommends providing him with forty (40) additional hours of administrative leave or paid time off to be taken in 2017. The additional forty (40) hours may not be cashed out and will be forfeited if not used. It is proposed that the NCPA Commission Chair be authorized to provide a letter to the General Manager evidencing this award of additional administrative leave. The additional leave award would not be precedential in nature and does not reflect any grant of leave for years following 2017.

This action is being taken in consideration of the fact that the General Manager received a five (5) percent salary increase on September 4, 2016. The Executive Committee anticipates it will revisit the General Manager's salary and auto allowance later in FY17.

The Executive Committee has also completed its review of the General Manager's 2017 goals and will distribute them for review by the Commission.

FISCAL IMPACT:

There is no fiscal impact due to the change in the General Manager's additional hours of paid time off in 2017. The costs associated with the additional paid time off are included in the budget for the current 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.

Respectfully submitted,



BOB LINGL
Chairperson

Prepared by:



VICKI L. CICHOCKI
Human Resources Manager

Attachments:

- Resolution 17-07
- General Manager's 2017 Goals (distributed at meeting)

RESOLUTION 17-07

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING THE GENERAL MANAGER'S 2017 PERFORMANCE PLAN AND A
LETTER AMENDMENT TO THE GENERAL MANAGER'S EMPLOYMENT
AGREEMENT**

(Reference Staff Report #110:17)

WHEREAS, the governing body of the Northern California Power Agency (NCPA) has the authority to approve the General Manager's performance plan and changes to the General Manager's Employment Agreement; and

WHEREAS, Randy S. Howard was retained as the NCPA General Manager on January 31, 2015, under the terms of an employment agreement dated December 4 2014, which was negotiated by the Executive Committee and approved by the Commission; and

WHEREAS, said employment agreement provided for the compensation to be paid to Randy S. Howard as General Manager and further delegated to the Executive Committee the responsibility for annually reviewing the performance of the General Manager and determining the adequacy of his compensation; and

WHEREAS, the Executive Committee has reviewed the General Manager's performance and compensation and has recommended a letter amendment to the General Manager's employment agreement to provide him with forty (40) additional hours of paid time off to be taken in 2017 which may not be cashed out and will be forfeited if not used; and

WHEREAS, the Executive Committee has reviewed the General Manager's performance goals for 2017 and recommends the Commission adopt these goals; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency approved the General Manager's 2017 performance goals and authorizes the Chair of the Executive Committee to write a Letter Amendment to the General Manager's Employment Agreement as set forth above.

FURTHER BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the Chair of the Executive Committee and the Human Resources Manager to execute and deliver any and all documents and to do and cause to be done any and all acts and things necessary or proper for carrying out the Letter Amendment to the General Manager's Employment Agreement authorized by this Resolution.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2017 by the following vote on roll call:

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

 BOB LINGL
 CHAIR

 ATTEST: CARY A. PADGETT
 ASSISTANT SECRETARY