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Minutes

DRAFT

To: NCPA Commission
From: Cary A. Padgett, Assistant Secretary to the Commission
Subject: June 29, 2017, NCPA Commission Meeting / Teleconference

Item #1 – Call Meeting to Order and Introductions

Chair Bob Lingl called the meeting to order at 9:30 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 and those that attended via teleconference are as follows:

Monica Padilla, City of Palo Alto

Item #2 – Approve Minutes of the May 25, 2017, Regular Commission Meeting

Motion: A motion was made by Gary Plass and seconded by Greg Scharff to approve the Minutes of the May 25, 2017, Commission meeting. The motion carried unanimously on a voice 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

General Manager Randy Howard reported:

- Gave an update on NCPA's Support and Shared Services Agreements and provided a copy of the monthly status report.
- Update on APPA National Conference that was held in Orlando, Florida last week.
- Provided a brief update on CVP cost allocation with regards to discussion with Reclamation staff.
- NCPA's State Legislative Staff will be held in late July.
- Update on Smart Metering. A proposal is on the table for a number of JPAs that want to form a new entity specifically to provide Smart Metering services through a JPA. This would include the acquisition of the meters, installing the meters, etc. Cost to join is \$100K, and NCPA will have a board seat.
- Met with Calpine to discuss options on working together on building piping to each entities project to help with efficiency.

- Filed a petition for modification to the PG&E gas rate case. Met with CPUC regarding the case and the impacts on the Lodi Energy Center.
- Received an RFP from SCPA for Scheduling Coordination services for Astoria 2 Solar PV. NCPA staff plans to submit a proposal.
- NCPA and Member Student Intern Tour will be held in July. Members that are interested in their interns attend, please contact NCPA staff.

Item #4 – Executive Committee

Committee Chair Bob Lingl reported that the Committee did not meet. Reported that the Nominating Committee met on June 14 and will bring nominations forward for recommendation at the July Commission meeting.

Item #5 – Facilities Committee

Assistant General Manager Dave Dockham reported the Committee met once since the last Commission meeting. The Committee met and discussed items 12-17, and 21 on today's Agenda. The Committee recommended Commission approval of all items. The Committee also discussed reformatting the Committee Agenda to reflect consent calendar items. The Committee opted not to pursue a format change. However, the agenda will identify how those items will be on the Commission agenda.

Item #6 – Finance Committee

Committee Chair Madeline Deaton reported that the Committee did not meet since the last Commission meeting. Chair Deaton reported that the new auditors, Baker Tilly, are on-site at NCPA beginning their fieldwork for FY17. An RFP for Financial Advisor Services is in the process of being issued, with the plan of interviewing the prospective firms by the end of July. The next Committee meeting is on August 9.

Item #7 – Legal Committee

General Counsel Jane Luckhardt reported that the Committee met once since the last Commission meeting under a Special Committee Agenda and discussed closed item 20 on today's Agenda. No reportable action was taken on that item.

Item #8 – Legislative & Regulatory Affairs Committee

Committee Chair Gary Plass reported that the Committee did not meet. Chair Plass reported that a delegation of NCPA members attended APPA's National Conference in Orlando, Florida. NCPA has been working on scheduling a Public Power Capital Day in Sacramento – once a day has been confirmed, staff will send out a notice with more details. NCPA's Annual Conference will be held September 27-29 at the Silverado Resort in Napa. Online registration will be open on July 1. The next Committee meeting is scheduled on August 23 .

Item #9 – Members' Announcements & Meeting Reporting

Chair Bob Lingl, Lompoc, reported that Lompoc is in the process of addressing CalPers unfunded liability issues and is not in bankruptcy as reported by a local reporter.

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. No items were pulled from Consent.

Motion: A motion was made by Gary Plass and seconded by Madeline Deaton to approve the Consent Calendar consisting of Items 10, 11, 12, 13, 14, 15, 16, 17, and 18. The motion carried by a majority of those members present on a roll call vote with the abstentions noted below for each item.

BART, Roseville, Shasta Lake, Truckee Donner, and Ukiah were absent.

Item #10 – NCPA’s Financials for the Months Ended May 31, 2017 – approval by all members.

Item #11 – Treasurer’s Report for the Months Ended May 31, 2017 – accept by all members.

Item #12 – Resolution No. 17-53, Univar USA, Inc. – First Amendment to Five Year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies; Applicable to the following projects: All NCPA facilities – adopt resolution by all members authorizing General Manager or his designee to execute the First Amendment to Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Univar USA, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,200,000 over five years for use at all NCPA facilities.

Fiscal Impact: Total cost of the agreement is not to exceed \$1,200,000 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.

Port of Oakland and Redding abstained.

Item #13 – Resolution No. 17-54, Brian Davis dba Northern Industrial Construction – Geothermal Plant 2 Sulfur Platform Project; Applicable to the following project: Geothermal Plant 2 – adopt resolution by all members authorizing the General Manager or his designee to enter into a public works agreement with Brian Davis dba Northern Industrial Construction, with any non-substantial changes as approved by the NCPA General Counsel, and delegate to the General Manager authority to issue purchase orders and change orders for a not-to-exceed amount of \$731,944 for the Sulfur Platform Project at the NCPA Geothermal Plant 2 Facility.

Fiscal Impact: The cost for the base scope of work is \$679,645.60 as specified by the request for proposal. Contingency funds of \$52,298.40 are further requested to cover possible change orders and contingencies so that the total cost of the project will not exceed \$731,944. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

Port of Oakland and Redding abstained.

Item #14 – Resolution No. 17-55, RADCO Communications LLC – Five Year Multi-Task General Services Agreement for communication maintenance services for microwave communications projects; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with RADCO Communications LLC for communication maintenance services related to microwave communication 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.

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.

Port of Oakland abstained.

Item #15 – Resolution No. 17-56, Stantec Consulting Services, Inc. – Five Year Multi-Task Consulting Services Agreement for engineering consulting services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Stantec Consulting Services, 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.

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.

Item #16 – Resolution No. 17-57, Global Diving and Salvage, Inc. – Five Year Multi-Task General Services Agreement for underwater diving inspection, cleaning, debris removal, and confined space entry maintenance services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Global Diving and Salvage, Inc. for underwater diving inspection, cleaning, debris removal, and confined space entry maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.

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

Port of Oakland abstained.

Item #17 – Resolution No. 17-58, DRS Marine, Inc. – Five Year Multi-Task General Services Agreement for underwater diving inspection, cleaning, debris removal, and confined space entry maintenance services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with DRS Marine, Inc. for underwater diving inspection, cleaning, debris removal, and confined space entry maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.

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

Port of Oakland abstained.

Item #18 – Resolution No. 17-60, 2018 Technical Reference Manual Update and Energy Efficiency Best Practices Guidelines – One-Year Funding Agreement with CMUA and SCPPA – adopt resolution by all members authorizing the General Manager and/or his designee to execute a funding agreement with the California Municipal Utilities Association (CMUA) and Southern California Public Power Authority (SCPPA) to share the costs for the 2018 Technical Reference Manual Update and development of the Energy Efficiency Best Practices Guidelines, with any non-substantial changes recommended and approved by the NCPA General Counsel, for which NCPA’s costs shall not exceed \$33,075 over the one-year term of the agreement.

Fiscal Impact: Total cost of the project to NCPA is not to exceed \$33,075. This project was included in the current fiscal year budget as a participant pass-through cost, under Members Services Projects – Energy Efficiency Target. Cost allocation will be on an equal-share basis. Each NCPA member's share of the project is not to exceed \$2,205.

Total cost of the professional services agreement between CMUA and ERS is not to exceed \$85,995. Cost allocation will be on an equal-share basis per participating utility at CMUA, NCPA, and SCPA respectively. This is consistent with both the initial development of the TRM and the 2016 TRM update.

The cost allocation is as follows:

- NCPA (15 participating utilities) = \$33,075
- CMUA (13 participating utilities) = \$28,665
- SCPA (11 participating utilities) = \$24,260

DISCUSSION/ACTION ITEMS

Item #19 – Resolution No. 17-59, Mark III Construction, Inc. Public Works Agreement – Multi-Facility Security Systems Development and Installation. Applicable to the following projects: All Generation Services Facilities – Geothermal, Combustion Turbine and Hydroelectric Generation Services Facilities – adopt resolution by all members authorizing the General Manager to execute a public works agreement with Mark III Construction, Inc., with any non-substantial changes as approved by the NCPA General Counsel; to issue purchase orders and change orders for not to exceed \$1,283,481 for the installation of security systems at NCPA Geothermal, Combustion Turbines, and Hydroelectric Projects; and to increase the CT budget by \$221,620 to cover the increased cost of the security upgrades.

Fiscal Impact: The total cost of the Multi-Facility Security Systems Development and Installation project is \$1,283,481. This includes construction and a 10% contingency. The cost is broken down into separate costs to the Geothermal, CT1, LEC, and Hydroelectric Projects, based on the scope of work and materials required at each facility. Each Generation Services Project FY17 budget has Physical Security funds encumbered from the FY16 budget.

Cost breakdown and budget funds currently allocated for Physical Security are as follows:

<u>PROJECT</u>	<u>BUDGET</u>	<u>COST</u>	<u>DELTA</u>
Geothermal	\$408,923	\$358,256	\$50,667
CT1	\$78,420	\$300,040	(\$221,620)
LEC	\$170,204	\$181,112	(\$10,908)
CT2	\$12,674	\$18,915	(\$6,241)
Hydroelectric	\$298,435	\$425,158	(\$126,723)
TOTAL	\$968,656	\$1,283,481	(\$314,825)

The Hydroelectric Project FY17 budget has a remaining balance of \$10,000 for Project Security, \$103,624 for Maintenance of Structures, and \$61,743 for Maintenance of Dams, which have been identified as available funds for this project. The CT1 FY17 budget is short by \$221,620 and there are no alternate funds available for the fiscal year. It is recommended that this shortfall be addressed by increasing the CT1 FY18 budget by this amount.

Assistant General Manager Ken Speer provided a presentation on the cost of the security system and installation of the project for the power plants physical security upgrades.

Motion: A motion was made by Liz Kirkley and seconded by Roger Frith to adopt resolution approving Mark III Construction, Inc. Public Works Agreement – Multi-Facility Security Systems Development and Installation. The motion carried by a majority on a roll call vote of those members present.

BART, Roseville, Shasta Lake, Truckee Donner, and Ukiah were absent. Port of Oakland and Redding abstained.

Non essential Members and staff left the meeting for item 20.

CLOSED SESSION

Item #20 – Conference with Legal Counsel – Existing litigation pursuant to Government Code Section 54956.9(d)(1): Name of case: *Northern California Power Agency, City of Redding, City of Roseville, and City of Santa Clara v. the United States*, Court of Federal Claims no. 14-817C.

RECONVENED TO OPEN SESSION

All meeting attendees rejoined the meeting.

REPORT FROM CLOSED SESSION

Closed Session Disclosure: General Counsel Jane Luckhardt stated there was no reportable action taken on closed session item 20.

INFORMATIONAL ITEMS

Item #21 – Collierville Unit 2 Generator Power Update – update and staff presentation.

Assistant General Manager Ken Speer gave an update and presentation on the Collierville Unit 2 generator problems.

NEW BUSINESS

No new business discussed.

ADJOURNMENT

The June 29, 2017, Commission meeting was adjourned at 10:55 am.

Respectfully submitted,

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CARY A. PADGETT

Assistant Secretary to the Commission

Attachments

**Northern California Power Agency
Commission Meeting of June 29, 2017
COMMISSIONER
Attendance List**

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

MEMBER	NAME
ALAMEDA	<i>Madeline C. Reardon</i>
BIGGS	<i>Roger L. Smith</i>
GRIDLEY	<i>PAUL ECKERT</i>
HEALDSBURG	<i>Gary Plass</i>
LODI	<i>William J. Kelley</i>
LOMPOC	<i>Paul A. J.</i>
PALO ALTO	<i>H. C.</i>
PORT OF OAKLAND	<i>Paul W. J.</i>
PLUMAS-SIERRA REC	<i>Mike B.</i>
REDDING	<i>Dan Beans</i>
ROSEVILLE	<i>Nichelle Bertolino</i>
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	
SANTA CLARA	<i>Kathleen Hughes</i>
TRUCKEE DONNER	
UKIAH	
<i>Shasta Lake</i>	

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

[illegible]

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: 6/29/17

Consent Items Listed on the Agenda: # 10 to # 18

Consent Items Removed from the Agenda and Approved Separately:

7

ROLL-CALL VOTE BY MEMBERS: Hea / Alameda

Member	Item Numbers Abstained	Vote	Absent
Alameda		Y	
BART			X
Biggs		Y	
Gridley		Y	
Healdsburg		Y	
Lodi		Y	
Lompoc		Y	
Palo Alto		X	
Port of Oakland	12, 13, 14, 16, 17, 18	Y	
Redding	12, 13	Y	
Roseville			X
Santa Clara		Y	
Shasta Lake			X
Truckee Donner			X
Ukiah			X
Plumas-Sierra		Y	

ATTEST:

Cary A. Padgett

Assistant Secretary to the Commission

**Northern California Power Agency
ROLL CALL VOTE**

Topic: item 19

	<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></u>	<u>X</u>	<u></u>
Redding	<u></u>	<u>X</u>	<u></u>
Roseville	<u></u>	<u></u>	<u>X</u>
Santa Clara	<u>Y</u>	<u></u>	<u></u>
Shasta Lake	<u></u>	<u></u>	<u>X</u>
Truckee Donner	<u></u>	<u></u>	<u>X</u>
Ukiah	<u></u>	<u></u>	<u>X</u>

Passed and adopted this 29th day of June 2017, by the above vote on roll call.


BOB LINGL
Chair

ATTEST: 
CARY A. PADGETT
Assistant Secretary



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Commission Staff Report

AGENDA ITEM NO.: 5

Date: July 20, 2017
To: NCPA Commission
Subject: July 5, 2017 Facilities Committee Meeting Minutes

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



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Minutes

To: NCPA Facilities Committee
From: Michelle Schellentrager
Subject: July 5, 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 (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Monica Padilla (Palo Alto), Steve Hance, Kathleen Hughes, Erika Jue, and Moises Melgoza (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Healdsburg, Turlock, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

Mike DeBortoli introduced the Black & Veatch representatives to the Committee.

Dennis Sismaet introduced Lauren Belnap (Scheduling Coordinator, Power Management division) to the Committee.

2. **Approve Minutes from June 7, 2017 Facilities Committee Meeting** – The Meeting Minutes for the June 7, 2017 Facilities Committee Meeting were not posted with enough notice for Members to review. Voting on these Minutes will be deferred until the August Facilities Committee Meeting.
3. **All Generation Services Facilities, Members, SCPPA & SCPPA Members – Compliance Services, Inc. First Amendment** – Staff recommended approval of a First Amendment to the five year Multi-Task General Services Agreement with Compliance Services, Inc. This Amendment would expand the scope of work (Exhibit A) to include additional services. Compliance Services, Inc. provides Pipeline Hazardous Materials Safety Administration (PHMSA) services in the form of written programs, reports, online training, and audits. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of a First Amendment to Multi-Task General Services Agreement with Compliance Services, Inc., with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for use at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority ("SCPPA") or SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

4. **Black & Veatch Energy Storage Presentation** – Representatives from Black & Veatch gave background on battery storage solutions for energy. Representatives reviewed the storage technologies currently available, as well as future storage technologies. Lithium ion batteries are currently the most common and reliable technology for renewables integration, and offer the highest storage capacities per unit volume and per unit weight. Trends are moving towards containerized solutions, which can stand exposure to the elements. Representatives shared a number of graphs outlining marketplace trends and detailing use cases for various energy storage solutions. Black & Veatch have seen an increased interest in behind the meter and solar storage. To increase the cost-effectiveness of the batteries, most buyers also use batteries for multiple applications.

Black & Veatch concluded that a pure capacity market is not economically viable at this point. While battery prices have fallen due to demand increasing and manufacturing costs decreasing, breakeven costs are still high.

5. **All Generation Services Facilities, Members, SCPPA – TCB Industrial, Inc.** – Staff recommended approval of a five year Multi-Task General Services Agreement with TCB Industrial, Inc., with a not to exceed amount of \$1,000,000. TCB Industrial, Inc. has a strong emphasis in hydro applications and favorable rates. NCPA has similar agreements in place with a number of other companies focusing on field service repairs, inspection, and consultations, such as Adritz Hydro and ProEnergy Services. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Mike Brozo and seconded by Shannon McCann recommending Commission approval of a Multi-Task General Services Agreement with TCB Industrial Inc. for service, inspection, consultation on turbines, generators, auxiliary equipment, and hydraulic systems, 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. The motion passed.

6. **All Generation Services Facilities, Members, SCPPA – Gold Electric, Inc.** – Staff recommended approval of a five year Multi-Task General Services Agreement with Gold Electric, Inc. for various electrical maintenance services, such alignment of communication tower footings, equipment rental, and maintenance of electrical, communication, control and security systems, with a not to exceed amount of \$1,000,000. NCPA has similar agreements with Knights' Electric and Radco Communications. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval of a Multi-Task General Services Agreement with Gold Electric, Inc. for electrical maintenance services and support, equipment rental, and maintenance of electrical communication, control and security systems, 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 (except LEC), 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. The motion passed.

7. **Beaver Creek Reservoir and Related Facilities Project** – Staff recommended approval authorizing an increase in not to exceed amount for all agreements related to the Beaver Creek Reservoir and related projects from \$1,000,000 to \$2,500,000. Staff explained that the increase is due to the fact that the original NTE amount was recommended while the detailed scope and costs were still under development. The cost increase is due to there being more debris than initially thought, as well as the USFS denying NCPA's request to use USFS lands and/or reuse materials removed from the reservoir on USFS lands. The type of debris being removed also mean that the suction dredging costs are greater than initially anticipated.

The diversion dam remains out of service. Staff estimates the average annual foregone power generation is around \$1.7m. Staff expressed concerns that next year's diversion could be lost if we do not act quickly.

Funds for the repairs are coming from the regular Beaver Creek dredging budget, with additional funds coming from the Hydro Maintenance Reserve and the Capitol Development Reserve funding accounts. As of July 1 (FY18) there is currently \$0.675 million available in the budget for Beaver Creek dredging.

There are multiple insurance claims still pending as well. Staff reviewed the FEMA and CalOES reimbursement requests and amounts with Members. Members asked about a timeline for FEMA reimbursement. Staff acknowledged that reimbursement from FEMA can take time, and that Members should plan on reimbursement taking a couple of years. Members requested a breakdown on estimated eligible/ineligible costs from FEMA. FEMA requires insurance to pay first, however, Staff said ineligible costs would include removal of any sediments received prior to the January storm event. Indications point to most costs being covered by FEMA.

Motion: A motion was made by Shannon McCann and seconded by Alan Hangar recommending Commission approval authorizing the General Manager to enter into one or more agreements, with a total not-to-exceed for all agreements of \$2,500,000 for repair, restoration and/or replacement of portions of the Beaver Creek Reservoir and related facilities at the NCPA Hydroelectric Project. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

8. **Generation Services Outage Schedule** – Representatives from the Generation Services department reviewed the proposed 2018 Outage Schedules, and sought approval for revision to the 2017 Outage Schedule. The 2018 Outage Schedules will be voted on in the August 2017 Facilities Committee Meeting.

Hydro Outages: Staff shared the proposed outage dates for 2018. The Spicer outage dates are currently scheduled for September; this is an optimum time from a market accessibility standpoint. The Collierville outages scheduled for October 2018 are consistent with what was approved for 2017. Staff are proposing an extended outage of Collierville Unit 2 in November 2018, for the stator repair/full unit rewind (required to permanently fix that unit).

CT's Outages: Staff recommended Commission approval of updated 2017 Outage Schedule for CT's. Staff is proposing an outage of CT1 Lodi in September 2017 to replace the bushings in the unit. These parts are prone to catastrophic failure, and Staff does not recommend waiting until the spring 2018 outages to complete these repairs.

Staff also reviewed the proposed outage dates for CT's for 2018. The outages proposed in spring 2018 for CT1 Alameda and CT1 Lodi are both for routine maintenance.

Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval of the updated 2017 Outage Schedule. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

Geo Outages: Geo shared their proposed 2018 Outage Schedule. Geo outages are flexible, and are being scheduled for required Stretford maintenance. The outages are staggered by one week so that equipment required for the outages can be reused and transferred between sites, minimizing transportation costs to/from the Geo site.

9. Generation Services Plant Updates – Representatives from the Generation Services department gave updates on how each plant weathered the recent heatwave.

Hydro Update: The biggest challenges encountered by Hydro during the June heat wave was the Collierville Unit 2 outage, and tailwater curtailment due to the large volume of water. Staff had to fluctuate PMAX at CAISO to prevent self-tripping. Staff shared a breakdown of lost revenues as a result of these issues. Ken Goeke and Phil Mensonides are working on revised modeling plans for bidding the Spicer units more efficiently.

CT's Update: Staff reviewed the issues encountered by CT's during the heat wave. STIG ran well, however, there were a number of forced outages and other minor issues. Despite the issues, LEC had relatively good revenue during the heatwave with a significant increase in runtime hours.

Geo Update: Geo encountered issues during the June heat wave with the Unit 4 cooling tower. Staff explained how the efficiency of the cooling tower decreases as temperatures increase. Temperatures at Geo were about 20° higher than average which resulted in approximately 2.7 MW above regular losses for this time of year. Staff shared estimated values lost during the heat wave.

10. Power Management Revenue Allocation Update – James Takehara shared an update on revenue allocation, as well as information on potential implementation. James reviewed the rationale of the UD group in forming their final revenue allocation recommendation. The UD's will be recommending that 10% of revenues received will be allocated exclusively to Members, based on their contributions to A&G expenses, while the remaining 90% of revenues will be allocated to both Members and non-Member Project Participants using the Nexant cost allocation model. The UD's have also recommended that revenue allocation to non-Members begin at the end of year budget true up. The final recommendation will be brought to the Commission at the August meeting.

James also shared concepts for future consideration, including looking further at the margin (between cost of services and market value) and whether that margin should be included in the 90% allocated to Members and non-Members. There was discussion by the Committee on implementing an "Enterprise Funding Structure". Palo Alto expressed a desire to expand upon the UD's recommendation for periodic review of the revenue allocation policy, to include some mention of the concept of tying new revenues to how profitable they are in the revenue allocation for Members/non-Members. Roseville proposed adding an additional item to the final recommendation stating that, when margins occur, revenues will only be allocated to Members, with details to be determined later.

11. Merced Irrigation District Transition Update – Dennis Sismaet provided an update on the MEID transition. Service started on Saturday, July 1. NCPA now has control of Merced's three hydro projects. There were minor issues with the initial transition, which required the three units to be under manual control for the first few days, but those issues have since been resolved.

12. Planning and Operations Update

- TO18: The TO18 proceeding continues to advance. Testimony from the intervenor group is due on July 5. The discovery request from PG&E has been delayed. The trial for the proceeding is scheduled for January, with a ruling expected in June 2018.
- Transmission Planning Process: NCPA continues to meet with PG&E to work on development of an Order 890 compliant transmission planning process. There is a sample proposal out for review.
- Modesto Irrigation District: MID has requested a proposal for Membership from NCPA last month. The proposal has been sent and MID is currently reviewing it.
- PCWA: With the successful onboarding of MEID, work will now begin on PCWA integration, with a full focus on forming operating required operating procedures (similar to the process that was just completed for Merced).
- Sierra Valley Energy: Sierra Valley Energy has indicated they are submitting the required paperwork to register with the CAISO.
- Shasta Lake: NCPA is still waiting on a final decision on whether Shasta Lake plans to take Power Management Services; NCPA anticipates a final decision from Shasta Lake within the next few weeks.
- On July 12th there will be a CMUA Meeting with the EIM Board regarding how TAC are allocated and defined now. This meeting will also discuss the Clean Energy Coalition request.
- The City of Lathrop has renewed their contract with Calpine for Power Management Services, but have said they may touch base with NCPA in the future.
- NCPA had submitted a request to the UD's regarding a proposal to SCPPA for scheduling coordination services for a solar project in their area, however, SCPPA opted to select their existing service provider.
- Ken Speer provided an update on the Gas Transportation Case. PG&E has started the 19 gas rate case; in this latest case, PG&E is proposing shutting down two of their storage fields (required retrofits would be too costly), with a plan to drill new wells and outsource a portion of their storage. Core customers currently pay 70% of PG&E's storage costs. PG&E is proposing a cost shift in the 19 rate case, where the core would cover 20% of storage costs, and the remaining 70% would be covered by backbone customers. NCPA has also filed a petition of modification with the NCGC in response to the PG&E 16 gas rate case, asking the CPUC to consider carbon emissions for electric generators when setting gas rates. NCPA is working with the NCGC group, as well as other gas generator providers, and will provide further updates to the Committee when they become available.


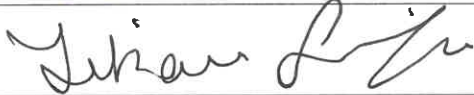


13. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for August 2, 2017.

ADJOURNMENT

The meeting was adjourned at 12:01pm.

**Northern California Power Agency
July 5, 2017 Facilities Committee Meeting
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	

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

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




Commission Staff Report

July 19, 2017

COMMISSION MEETING DATE: July 27, 2017

SUBJECT: June 2017 Financial Report (Unaudited)

AGENDA CATEGORY: Consent

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

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

RECOMMENDATION:

Approval by all members.

NOTICE:

The disbursements of the Northern California Power Agency for the month reported herein, will be approved at the July 27, 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 June 2017 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 June 2017

Operations:

Geothermal	\$ 1,571,784
Hydroelectric	3,157,286
CT#1 Combustion Turbines	258,037
CT#2 STIG	537,523
Lodi Energy Center	2,872,470
NCPA Operating	<u>24,263,871</u>
Total	<u><u>\$ 32,660,971</u></u>

NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED JUNE 30, 2017

PERCENT OF
YEAR ELAPSED
100%

	This Month	Actual Year To-Date	FY 2017 Budget	% Used	
GENERATION RESOURCES					
NCPA Plants					
Hydroelectric					
Other Plant Cost	\$ 2,368,260	\$ 14,878,810	\$ 13,601,891	109%	(a)
Debt Service (Net)	3,187,715	38,252,575	38,252,575	100%	
Annual Budget Cost	5,555,975	53,131,385	51,854,466	102%	
Geothermal					
Other Plant Cost	2,407,856	25,182,009	28,035,560	90%	
Debt Service (Net)	375,667	4,758,728	5,109,745	93%	
Annual Budget Cost	2,783,523	29,940,737	33,145,305	90%	
Combustion Turbine No. 1					
	440,861	3,634,303	2,648,330	137%	(b)
Combustion Turbine No. 2 (Stig)					
Fuel and Pipeline Transport Charges	81,144	826,818	936,070	88%	
Other Plant Cost	179,175	1,917,804	2,025,600	95%	
Debt Service (Net)	468,797	5,625,568	5,625,568	100%	
Annual Budget Cost	729,116	8,370,190	8,587,238	97%	
Lodi Energy Center					
Fuel	1,356,988	9,434,917	44,100,578	21%	
Other Plant Cost	1,690,697	18,321,633	22,453,402	82%	
Debt Service (Net)	2,202,269	26,417,186	26,437,261	100%	
Annual Budget Cost	5,249,954	54,173,736	92,991,241	58%	
Member Resources - Energy	5,828,708	49,518,127	45,637,694	109%	(c)
Member Resources - Natural Gas	324,224	5,056,221	4,877,728	104%	(d)
Western Resources	3,691,701	29,042,487	30,288,301	96%	
Market Power Purchases	1,700,902	30,633,055	39,302,363	78%	
Load Aggregation Costs - CAISO	21,447,943	189,090,552	240,128,621	79%	
Net GHG Obligations	-	602,510	2,539,910	24%	
	47,752,907	453,193,303	552,001,197	82%	
TRANSMISSION					
Independent System Operator					
Grid Management Charge	574,950	3,975,593	3,799,908	105%	(e)
Wheeling Access Charge	6,437,370	81,166,082	74,972,258	108%	(f)
Ancillary Services	188,027	2,822,649	1,421,202	199%	(g)
Other Charges	1,926,718	13,711,744	807,975	1697%	(h)
	9,127,065	101,676,068	81,001,343	126%	

NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED JUNE 30, 2017

PERCENT OF YEAR ELAPSED 100%

	This Month	Actual Year To-Date	FY 2017 Budget	% Used	
MANAGEMENT SERVICES					
Legislative & Regulatory					
Legislative Representation	203,248	1,650,596	1,896,810	87%	
Regulatory Representation	56,983	773,880	794,328	97%	
Western Representation	79,626	588,229	816,695	72%	
Member Services	5,541	347,078	432,215	80%	
Judicial Action	116,699	723,468	625,000	116%	(i)
Power Management					
System Control & Load Dispatch	456,076	5,085,113	5,621,941	90%	
Forecasting, Planning, Prescheduling & Trading	174,212	2,114,561	2,554,949	83%	
Industry Restructuring & Regulatory Affairs	27,853	305,032	414,128	74%	
Contract Admin, Interconnection Svcs & External Affairs	67,167	838,261	1,136,523	74%	
Green Power Project	161	1,971	17,782	11%	
Gas Purchase Program	5,269	61,837	86,550	71%	
Market Purchase Project	7,397	82,472	127,856	65%	
Energy Risk Management					
	8,949	166,701	211,925	79%	
Settlements					
	37,696	490,302	861,558	57%	
Integrated Systems Support					
	2,371	110,375	310,532	36%	
Participant Pass Through Costs					
	47,679	1,320,693	1,417,039	93%	
Support Services					
	40,759	258,238	-	N/A	
	1,337,686	14,918,807	17,325,831	86%	
TOTAL ANNUAL BUDGET COST					
	58,217,658	569,788,178	650,328,371	88%	
LESS: THIRD PARTY REVENUE					
Plant ISO Energy Sales	10,401,716	75,247,095	118,942,685	63%	(j)
Load Aggregation Energy Sales	15,922,266	128,660,814	184,116,660	70%	(k)
Ancillary Services Sales	288,198	3,754,772	3,790,032	99%	
Other ISO Revenue	1,493,587	17,543,388	-	N/A	
Transmission Sales	9,198	110,376	110,376	100%	
Western Credits, Interest and Other Income	1,913,584	22,970,218	14,810,642	155%	
	30,028,549	248,286,663	321,770,395	77%	
NET ANNUAL BUDGET COST TO PARTICIPANTS					
	\$ 28,189,109	\$ 321,501,515	\$ 328,557,976	98%	

- (a) Variance due to higher than budgeted CAISO charges related to increased generation.
- (b) Increase in costs due to greater than projected MWhs of generation. CT1 is at 475% of budgeted MWhs at 6/30/17. Fuel costs, CAISO charges, and other variable costs have all increased as a result of increased generation.
- (c) Variance due primarily to increased quantities of variable intermittent renewable energy purchases by Palo Alto.
- (d) Member Resources Natural Gas budget variance due to an unbudgeted gas hedging contract not included in the FY 2017 budget column. Hedging contract with the Department of General Services was executed subsequent to approval of the FY 2017 budget.
- (e) Variance due to increased generation from the hydroelectric plant.
- (f) Variance due to unbudgeted wheeling access charges related to BRT1.
- (g) Ancillary Services variance due to higher than budgeted price per MWh.
- (h) 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.
- (i) Variance due to ongoing actual costs related to the CVPIA case which are not included in the FY 2017 Budget column.
- (j) Variance due to lower than anticipated ISO energy sales for the Lodi Energy Center (LEC). Power values in the CAISO markets remain low. As a result, LEC is at 16% of budgeted generation at 6/30/17.
- (k) 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

	June 30,	
	2017	2016
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 40,748	\$ 49,642
Investments	30,034	22,209
Accounts receivable		
Participants	3	690
Other	4,728	495
Interest receivable	156	120
Inventory and supplies	9,746	9,122
Prepaid expenses	2,605	1,088
TOTAL CURRENT ASSETS	88,020	83,366
RESTRICTED ASSETS		
Cash and cash equivalents	78,716	56,669
Investments	143,500	154,757
Interest receivable	448	333
TOTAL RESTRICTED ASSETS	222,664	211,759
ELECTRIC PLANT		
Electric plant in service	1,501,758	1,500,739
Less: accumulated depreciation	(942,713)	(911,976)
	559,045	588,763
Construction work-in-progress	821	107
TOTAL ELECTRIC PLANT	559,866	588,870
OTHER ASSETS		
Regulatory assets	235,934	249,519
Unused vendor credits	24	55
TOTAL ASSETS	1,106,508	1,133,569
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	48,328	54,348
Pension deferrals	9,093	9,093
TOTAL DEFERRED OUTFLOWS OF RESOURCES	57,421	63,441
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,163,929	\$ 1,197,010

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	June 30,	
	2017	2016
	(in thousands)	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 26,588	\$ 24,473
Member advances	993	993
Operating reserves	19,923	17,535
Current portion of long-term debt	39,495	37,250
Accrued interest payable	10,964	11,402
TOTAL CURRENT LIABILITIES	97,963	91,653
NON-CURRENT LIABILITIES		
Net pension liability	57,774	57,774
Operating reserves and other deposits	139,080	134,577
Interest rate swap liability	15,173	22,261
Long-term debt, net	737,022	776,982
TOTAL NON-CURRENT LIABILITIES	949,049	991,594
TOTAL LIABILITIES	1,047,012	1,083,247
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	72,411	79,201
Pension deferrals	6,599	6,599
TOTAL DEFERRED INFLOWS OF RESOURCES	79,010	85,800
NET POSITION		
Net investment in capital assets	(62,654)	(62,193)
Restricted	72,729	66,282
Unrestricted	27,832	23,874
TOTAL NET POSITION	37,907	27,963
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,163,929	\$ 1,197,010

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

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

UNAUDITED

	Twelve Months Ended June 30,	
	2017	2016
	(in thousands)	
OPERATING REVENUES		
Participants	\$ 334,629	\$ 328,101
Other Third-Party	130,183	124,544
TOTAL OPERATING REVENUES	464,812	452,645
OPERATING EXPENSES		
Purchased power	192,198	182,563
Operations	51,394	69,075
Transmission	102,804	83,713
Depreciation	30,749	30,645
Maintenance	16,661	22,675
Administrative and general	19,782	18,380
TOTAL OPERATING EXPENSES	413,588	407,051
NET OPERATING REVENUES	51,224	45,594
OTHER (EXPENSES) REVENUES		
Interest expense	(34,711)	(48,454)
Interest income	1,549	3,538
Other	12,921	6,056
TOTAL OTHER EXPENSES	(20,241)	(38,860)
FUTURE RECOVERABLE AMOUNTS	(13,585)	(140)
REFUNDS TO PARTICIPANTS	(7,454)	(8,622)
INCREASE (DECREASE) IN NET POSITION	9,944	(2,028)
NET POSITION, Beginning of year	27,963	29,991
NET POSITION, Period ended	\$ 37,907	\$ 27,963

OTHER FINANCIAL INFORMATION

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

June 30, 2017

GENERATING & TRANSMISSION RESOURCES											
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Loft Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined	
ASSETS											
CURRENT ASSETS											
Cash and cash equivalents	\$ 1	\$ -	\$ -	1 \$	1 \$	72 \$	\$ -	39 \$	40,634 \$	40,748 \$	
Investments	-	-	-	-	-	-	-	-	30,034	30,034	
Accounts receivable	-	-	-	-	-	-	-	-	3	3	
Participants	-	-	-	-	-	-	4,554	-	174	4,728	
Other	-	-	-	-	-	-	59	-	97	156	
Interest receivable	-	-	-	-	-	-	-	-	-	9,746	
Inventory and supplies	4,509	1,079	642	1,405	2,111	-	-	18	1,676	2,605	
Prepaid expenses	319	274	24	34	260	-	-	-	(65,200)	-	
Due from Agency and other programs*	18,743	18,809	2,425	(467)	10,472	-	9,782	5,436	7,418	88,020	
TOTAL CURENT ASSETS	23,572	20,162	3,092	973	12,915	-	14,395	5,493	-	-	
RESTRICTED ASSETS											
Cash and cash equivalents	10,276	31,923	19	-	5,104	-	3,484	-	27,910	78,716	
Investments	17,274	28,363	5,892	-	20,326	-	18,681	-	52,964	143,500	
Interest receivable	42	116	16	-	46	-	-	-	228	448	
TOTAL RESTRICTED ASSETS	27,592	60,402	5,927	-	25,476	-	22,165	-	81,102	222,664	
ELECTRIC PLANT											
Electric plant in service	568,991	394,305	64,826	36,245	423,640	7,736	-	663	5,352	1,501,758	
Less: accumulated depreciation	(531,918)	(252,563)	(46,157)	(34,295)	(66,941)	(7,736)	-	(358)	(2,745)	(942,713)	
	37,073	141,742	18,669	1,950	356,699	-	-	305	2,607	559,045	
Construction work-in-progress	670	-	-	-	107	-	-	-	44	821	
TOTAL ELECTRIC PLANT	37,743	141,742	18,669	1,950	356,806	-	-	305	2,651	559,866	
OTHER ASSETS											
Regulatory assets	436	146,009	11,471	-	21,652	-	-	-	56,366	235,934	
Unused vendor credits	14	-	-	-	-	-	-	-	10	24	
TOTAL ASSETS	89,357	368,315	39,159	2,923	416,849	-	36,560	5,798	147,547	1,106,508	
DEFERRED OUTFLOWS OF RESOURCES											
Excess cost on refunding of debt	2,052	44,224	2,052	-	-	-	-	-	-	48,328	
Pension deferrals	-	-	-	-	-	-	-	-	9,093	9,093	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,052	44,224	2,052	-	-	-	-	-	9,093	57,421	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 91,409	\$ 412,539	\$ 41,211	\$ 2,923	\$ 416,849	\$ -	\$ 36,560	\$ 5,798	\$ 156,640	\$ 1,163,929	

* Eliminated in Combination

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF NET POSITION

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

June 30, 2017

GENERATING & TRANSMISSION RESOURCES											
	Multiple Capital Facilities		CT No. One	Load Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined		
CURRENT LIABILITIES	Geothermal	Hydroelectric									
	\$	188 \$	702 \$	-	\$	1,089 \$	-	\$	17,537 \$	-	
	Member advances	791	-	-	-	-	-	-	202	-	
	Operating reserves	6,213	250	513	643	12,304	-	-	-	19,923	
	Current portion of long-term debt	3,995	21,385	3,760	-	10,355	-	-	-	39,495	
TOTAL CURRENT LIABILITIES	Accrued interest payable	424	8,427	775	-	1,338	-	-	-	10,964	
		11,611	30,764	5,048	644	25,086	-	-	17,537	97,963	
	NON-CURRENT LIABILITIES										
	Net pension liability	-	-	-	-	-	-	-	-	57,774	
	Operating reserves and other deposits	17,732	15,919	-	-	1,715	-	-	22,223	39	81,452
TOTAL NON-CURRENT LIABILITIES	Interest rate swap liability	-	15,173	-	-	-	-	-	-	15,173	
	Long-term debt, net	28,770	332,913	34,403	-	340,936	-	-	-	737,022	
		46,502	364,005	34,403	-	342,651	-	-	22,223	949,049	
		58,113	394,769	39,451	644	367,737	-	-	39,760	241	146,297
											1,047,012
DEFERRED INFLOWS OF RESOURCES											
Regulatory credits	19,534	4,053	994	2,112	42,321	-	-	305	3,092	72,411	
Pension deferrals	-	-	-	-	-	-	-	-	6,599	6,599	
TOTAL DEFERRED INFLOWS OF RESOURCES	19,534	4,053	994	2,112	42,321	-	-	305	9,691	79,010	
NET POSITION											
Net investment in capital assets	(6,360)	(35,817)	(6,922)	-	(13,555)	-	-	-	-	(62,654)	
Restricted	8,556	47,928	5,153	-	11,441	-	-	-	-	72,729	
Unrestricted	11,566	1,606	2,535	167	8,905	-	(3,200)	5,252	1,001	27,832	
TOTAL NET POSITION	13,762	13,717	766	167	6,791	-	(3,200)	5,252	652	37,907	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 91,409	\$ 412,539	\$ 41,211	\$ 2,923	\$ 416,849	\$ -	\$ 36,560	\$ 5,798	\$ 156,640	\$ 1,163,929	

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 Twelve Months Ended June 30, 2017

	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Load Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
OPERATING REVENUES										
Participants	\$ 8,352	\$ 26,510	\$ 7,290	\$ 2,673	\$ 36,146	\$ -	\$ 235,196	\$ 18,081	\$ 381	\$ 334,629
Other Third-Party	27,444	34,127	468	1,498	15,824	-	50,807	15	-	130,183
TOTAL OPERATING REVENUES	35,796	60,637	7,758	4,171	51,970	-	286,003	18,096	381	464,812
OPERATING EXPENSES										
Purchased power	-	-	-	-	3,000	-	189,198	-	-	192,198
Operations	14,945	3,310	1,403	1,456	16,984	-	5,056	8,213	27	51,394
Transmission	758	2,758	85	177	384	-	98,637	5	-	102,804
Depreciation	3,819	9,583	2,212	179	14,607	5	-	47	297	30,749
Maintenance	5,455	5,091	682	1,328	3,998	-	-	107	-	16,661
Administrative and general	3,996	3,472	537	601	4,068	-	-	6,676	432	19,782
Intercompany (sales) purchases, net*	(575)	216	52	114	265	-	-	(72)	-	-
TOTAL OPERATING EXPENSES	28,398	24,430	4,971	3,855	43,306	5	292,891	14,976	756	413,588
NET OPERATING REVENUES	7,398	36,207	2,787	316	8,664	(5)	(6,888)	3,120	(375)	51,224
OTHER (EXPENSES) REVENUES										
Interest expense	(768)	(16,124)	(1,885)	-	(15,934)	-	-	-	-	(34,711)
Interest income	311	157	(22)	-	243	-	319	36	505	1,549
Other	834	28	1,189	-	8,634	-	1,957	42	237	12,921
TOTAL OTHER EXPENSES	377	(15,939)	(718)	-	(7,057)	-	2,276	78	742	(20,241)
FUTURE RECOVERABLE AMOUNTS	(1,476)	(13,003)	(1,606)	-	2,495	5	-	-	-	(13,585)
REFUNDS TO PARTICIPANTS	(686)	(12,784)	97	33	(278)	-	(572)	(2,572)	(692)	(7,454)
INCREASE (DECREASE) IN NET POSITION	5,613	4,481	560	349	3,824	-	(5,184)	626	(325)	9,944
NET POSITION, Beginning of year	8,149	9,236	206	(182)	2,967	-	1,984	4,626	977	27,963
NET POSITION, Period ended	\$ 13,762	\$ 13,717	\$ 766	\$ 167	\$ 6,791	\$ -	\$ (3,200)	\$ 5,252	\$ 652	\$ 37,907

* Eliminated in Combination



Commission Staff Report

July 19, 2017

COMMISSION MEETING DATE: July 27, 2017

SUBJECT: Treasurer's Report for Month Ended June 30, 2017

AGENDA CATEGORY: Consent

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

IMPACTED MEMBERS:

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

If other, please specify:

RECOMMENDATION:

Approval by all members.

BACKGROUND:

In compliance with 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 \$65,454,716 of which approximately \$274,211 was applicable to Special and Reserve Fund Deposits, \$32,056,003 to Debt Service and \$33,124,502 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 \$227,335,922 at month end. The current market value of the portfolio totaled \$225,770,506.

The overall portfolio had a combined weighted average interest rate of 1.079% with a bond equivalent yield (yield to maturity) of 1.094%. Investments with a maturity greater than one year totaled \$148,911,000. June maturities totaled \$51 million and monthly receipts totaled \$31 million. During the month \$7 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 5 basis points (from 0.97% to 1.02%) and rates on one year T-Bills increased 6 basis points (from 1.16% to 1.22%).

To the best of my knowledge and belief, all securities held by NCPA as of June 30, 2017 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: 179:17

NORTHERN CALIFORNIA POWER AGENCY

TREASURER'S REPORT

JUNE 30, 2017

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INVESTMENT MATURITIES ANALYSIS	5
DETAIL REPORT OF INVESTMENTS	APPENDIX

**Northern California Power Agency
Treasurer's Report
Cash & Investment Balance
June 30, 2017**

	CASH	INVESTMENTS	TOTAL	PERCENT
NCPA FUNDS				
Operating	\$ 31,172,422	\$ 60,808,900	91,981,322	31.42%
Special Deposits	1,003,055	0	1,003,055	0.34%
Construction	949,025	3,976,716	4,925,741	1.68%
Debt Service	32,056,003	6,596,598	38,652,601	13.20%
Special & Reserve	274,211	155,953,708	156,227,919	53.36%
	<u>\$ 65,454,716</u>	<u>\$ 227,335,922</u>	<u>\$ 292,790,638</u>	<u>100.00%</u>

Portfolio Investments at Market Value

\$ 225,770,506

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency
Treasurer's Report
Cash Activity Summary
June 30, 2017**

	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	\$ 30,199,208	\$ 1,258	\$ 107,505	\$ (19,390,479)	\$ (260,008)	\$ (12,447,775)	\$ (1,790,291)
Special Deposits	750,104	7	1	(7,721,773)	-	6,972,857	1,196
Construction	-	-	-	-	-	-	-
Debt Service	-	399	46,986,540	(21,298,439)	(2,686,634)	5,627,412	28,629,278
Special & Reserve	1	170,693	3,989,998	-	(4,008,198)	(152,494)	(0)
	<u>\$ 30,949,313</u>	<u>\$ 172,357</u>	<u>\$ 51,084,045</u>	<u>\$ (48,410,691)</u>	<u>\$ (6,954,840)</u>	<u>\$ -</u>	<u>\$ 26,840,183</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
June 30, 2017**

	PURCHASED	SOLD OR MATURED	(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS	
					TRANSFERS	INCREASE / (DECREASE)
NCPA FUNDS						
Operating	\$ 260,008	\$ (107,505)	\$ (3,102)	\$ -	\$ -	\$ 149,401
Special Deposits	-	(1)	-	-	-	(1)
Construction	-	-	(594)	-	-	(594)
Debt Service	2,686,634	(46,986,540)	14,107	-	-	(44,285,799)
Special & Reserve	4,008,198	(3,989,998)	(3,565)	-	-	14,635
	<u>\$ 6,954,840</u>	<u>\$ (51,084,044)</u>	<u>\$ 6,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(44,122,358)</u>

Less Non- Cash Activity

Disc/(Prem) Amortization & Gain/(Loss) on Sale (6,846)

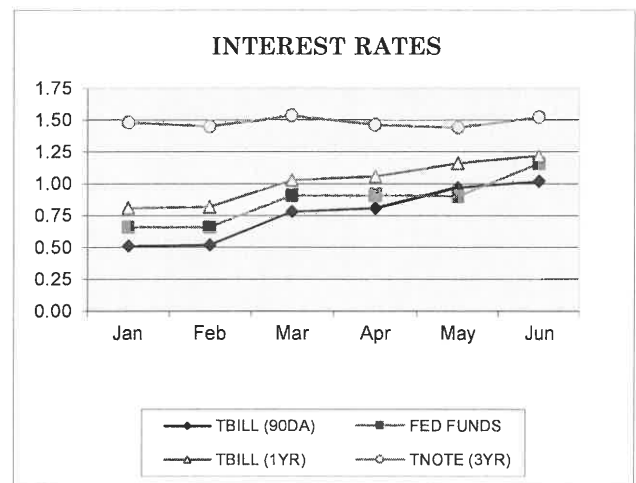
Net Change in Investment --Before Non-Cash Activity \$ (44,129,204)

NOTE A -Investment amounts shown at book carrying value.

Northern California Power Agency
Interest Rate/Yield Analysis
June 30, 2017

	WEIGHTED AVERAGE INTEREST RATE	BOND EQUIVALENT YIELD
OVERALL COMBINED	1.079%	1.094%
OPERATING FUNDS:	1.039%	1.003%
PROJECTS:		
Geothermal	1.319%	1.334%
Capital Facilities	1.126%	1.126%
Hydroelectric	1.424%	1.388%
Lodi Energy Center	1.173%	1.116%

KEY INTEREST RATES		
	CURRENT	PRIOR YEAR
Fed Fds (Ovrnight)	1.16%	0.40%
T-Bills (90da.)	1.02%	0.27%
Agency Disc (90da.)	1.01%	0.36%
T-Bills (1yr.)	1.22%	0.45%
Agency Disc (1yr.)	1.18%	0.46%
T-Notes (3yr.)	1.52%	0.71%



Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
June 30, 2017

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	\$ -	\$ 8,549	\$2,228	\$ -	\$ 8,503	\$ 148,911	\$ -	\$ 168,191	65.10%
US Bank Trust Money Market	3,506							3,506	1.36%
Commercial Paper	5,000							5,000	1.94%
Investment Trusts (LAIF)	50,430							50,430	19.52%
U.S.Treasury Market Acct. *	31,231							31,231	12.09%
U.S.Treasury Bill									0.00%
Certificates of Deposit	10							10	0.00%
Total Dollars	\$ 90,177	\$8,549	\$2,228	\$0	\$8,503	\$148,911	\$0	\$ 258,368	100.00%
Total Percents	34.90%	3.31%	0.86%	0.00%	3.29%	57.64%	0.00%	100.00%	

Investments are shown at Face Value, in thousands.

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

NORTHERN CALIFORNIA POWER AGENCY

Detail Report Of Investments

APPENDIX

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



Northern California Power Agency

Treasurer's Report

06/30/2017

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	9,375,222	0.776	07/01/2013	9,375,222		1	0.776	9,375,222	SYS70000	70000	9,375,222
Union Bank of Califo	UBOC	58,377	0.002	07/01/2013	58,377		1	0.002	58,377	SYS70014	70014	58,377
US Bank	USB	31,172,420	0.001	06/30/2013	31,172,420		1	0.001	31,172,420	SYS70050	70050	31,172,420
US Bank	USB	10,000	0.050	04/07/2017	10,000	07/07/2017	6	0.050	10,000	SYS30303	30303	10,000
Federal Farm Credit	UBOC	3,626,000	1.290	12/21/2015	3,624,948	11/19/2018	506	1.300	3,619,256	3133EFPJ0	26280	3,625,500
Federal Home Loan Mt	UBOC	9,870,000	1.750	06/09/2015	9,983,900	05/30/2019	698	1.450	9,936,524	3137EADG1	26231	9,924,841
Federal Home Loan Ba	UBOC	7,785,000	1.400	07/19/2016	7,781,108	01/19/2021	1,298	1.411	7,630,779	3130ABP80	26356	7,781,929
Federal Home Loan Mt	UBOC	3,500,000	1.500	11/23/2016	3,500,000	08/23/2021	1,514	1.500	3,426,710	3134GAVH4	26385	3,500,000
Federal Home Loan Mt	UBOC	202,000	2.200	01/30/2017	202,000	01/26/2022	1,670	2.200	201,889	3134GAV92	26403	202,000
Fund Total and Average		\$ 70,599,019	0.658		\$ 70,707,975		347	0.617	\$ 70,431,187			\$ 70,650,289
MPP GHG Auction Acct												
Local Agency Investm		39,024	0.776	07/01/2013	39,024		1	0.776	39,024	SYS70045	70045	39,024
Fund Total and Average		\$ 39,024	0.776		\$ 39,024		1	0.776	\$ 39,024			\$ 39,024
SCPA Balancing Account												
Local Agency Investm	LAIF	2,539,553	0.776	07/01/2013	2,539,553		1	0.776	2,539,553	SYS70022	70022	2,539,553
Union Bank of Califo	UBOC	0	0.005	07/01/2013	0		1	0.005	0	SYS70023	70023	0
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	300	1.000	4,502,468	3130A55T2	26223	4,510,000
Federal National Mtg	UBOC	3,962,000	1.625	12/18/2014	4,000,630	11/27/2018	514	1.369	3,975,550	3135GOYT4	26187	3,975,775
Federal National Mtg	UBOC	5,098,000	1.350	04/28/2016	5,098,000	10/28/2019	849	1.350	5,069,298	3135G0J95	26330	5,098,000
Federal National Mtg	UBOC	5,097,000	1.350	07/28/2016	5,097,000	07/28/2020	1,123	1.350	4,962,082	3136G3T39	26357	5,097,000
Fund Total and Average		\$ 21,206,553	1.258		\$ 21,245,183		634	1.211	\$ 21,048,951			\$ 21,220,328

General Operating Reserve

Local Agency Investm	LAIF	27,910,299	0.776	07/01/2013	27,910,299		1	0.776	27,910,299	SYS70000	70002	27,910,299
Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70019	70019	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70051	70051	0
Federal National Mtg	UBOC	5,970,000	1.625	12/23/2014	6,009,701	11/27/2018	514	1.450	5,990,417	3135GOYT4	26188	5,984,207
Federal National Mtg	UBOC	4,992,000	1.750	08/28/2015	5,047,364	11/26/2019	878	1.430	5,009,600	3135G0Z72	26246	5,019,002
Federal Farm Credit	UBOC	4,285,000	1.440	07/20/2016	4,280,715	01/19/2021	1,298	1.463	4,154,265	3133EGMP7	26356	4,281,618
Federal Home Loan Ba	UBOC	16,720,000	1.400	07/19/2016	16,711,640	01/19/2021	1,298	1.411	16,388,777	3130ABP80	26354	16,713,405
Fund Total and Average		\$ 21,206,553	1.258		\$ 21,245,183		634	1.211	\$ 21,048,951			\$ 21,220,328
General Operating Reserve												



Northern California Power Agency

Treasurer's Report

06/30/2017

Geothermal 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
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	513	1.150	1,494,300	3134G8KVO	26302	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		513	1.150	\$ 1,494,300			\$ 1,500,000

Geo Decommissioning Reserve

Local Agency Investm	LAIF	5,562,222	0.776	07/01/2013	5,562,222		1	0.776	5,562,222	SYS70027	70027	5,562,222
Union Bank of Calif	UBOC	0	0.002	07/01/2013	0		1	0.002		0 SYS70034	70034	0
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	06/30/2016	9,700,000	05/28/2021	1,427	1.500	9,434,996	3136G3W3	26369	9,700,000
Federal Home Loan Mt	UBOC	941,000	2.200	01/30/2017	941,000	01/26/2022	1,670	2.200	940,530	3134GAV92	26404	941,000
Fund Total and Average		\$ 16,203,222	1.292		\$ 16,203,222		952	1.292	\$ 15,937,748			\$ 16,203,222

GEO Debt Service Reserve Acct

Federal Home Loan Mt	USBT	907,000	1.750	06/02/2015	920,886	05/30/2019	698	1.354	913,113	3137EADG1	26228	913,653
Federal Home Loan Mt	USBT	2,515,000	1.250	02/27/2015	2,483,839	10/02/2019	823	1.530	2,501,168	3137EADM8	26197	2,499,730
Fund Total and Average		\$ 3,422,000	1.384		\$ 3,404,725		790	1.483	\$ 3,414,281			\$ 3,413,383

Geo 2012A DSR Account

Federal National Mtg	USBT	1,517,000	1.625	05/25/2016	1,517,000	05/25/2021	1,424	1.625	1,483,004	3136G3NLS	26333	1,517,000
Fund Total and Average		\$ 1,517,000	1.625		\$ 1,517,000		1424	1.625	\$ 1,483,004			\$ 1,517,000
GRAND TOTALS:		\$ 22,642,222	1.319		\$ 22,624,947		930	1.334	\$ 22,329,333.			\$ 22,633,605

*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 06/30/2017

Investment #26302 FHLMC Callable quarterly

Investment #26333 FNMA Callable quarterly

Investment #26369 FNMA Callable quarterly

Investment #26404 FHLMC Callable 1/26/18, then quarterly



Northern California Power Agency
Treasurer's Report

06/30/2017

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	469,000	0.810	04/26/2017	467,976	08/01/2017	31	0.823	468,615	313385JW7A	26426	468,673
Federal Home Loan Ba	USBT	469,000	0.900	05/31/2017	468,273	08/01/2017	31	0.913	468,615	313385JW7A	26434	468,637
Federal Home Loan Mt	USBT	939,000	0.595	01/27/2017	936,113	08/01/2017	31	0.605	938,230	313397JW2	26397	938,519
Federal Home Loan Mt	USBT	1,093,000	0.620	02/02/2017	1,089,612	08/01/2017	31	0.630	1,082,104	313397JW2	26405	1,092,416
Federal Home Loan Mt	USBT	470,000	0.609	02/28/2017	468,774	08/01/2017	31	0.620	469,615	313397JW2	26406	469,753
Federal National Mtg	USBT	470,000	0.780	03/29/2017	468,727	08/01/2017	31	0.792	469,615	313589JW4A	26418	469,684
Federal National Mtg	USBT	469,000	0.859	06/30/2017	468,641	08/01/2017	31	0.872	468,615	313589JW4A	26435	468,653
Fund Total and Average		\$ 4,379,000	0.707		\$ 4,368,116		31	0.718	\$ 4,375,409			\$ 4,376,335

Cap. Fac. Debt Svc Reserve

Federal National Mtg	USB	71,000	1.530	07/28/2016	71,000	07/28/2021	1,488	1.530	68,720	313603S97	26358	71,000
Federal Home Loan Mt	USB	1,443,000	2.375	02/13/2012	1,447,430	01/13/2022	1,657	2.340	1,473,289	3137EADB2	25845	1,445,025
Fund Total and Average		\$ 1,514,000	2.335		\$ 1,518,430		1649	2.302	\$ 1,542,009			\$ 1,516,025
GRAND TOTALS:		\$ 5,893,000	1.126		\$ 5,886,546		447	1.126	\$ 5,917,418.			\$ 5,892,360

*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 06/30/2017

Investment #26358 FNMA Callable 7/28/17, then quarterly

Federal National Mfg	USB	1,529,000	1.625	12/12/2014	1,539,244	11/27/2018	514	1,450	1,534,229	3135GOYT4	26189	1,532,638
Federal Farm Credit	USB	2,437,000	1.250	02/02/2016	2,450,501	01/22/2019	570	1,060	2,430,201	3133EFPVQ7	26300	2,444,079

Federal Farm Credit	USB	5,528,000	1,750	08/28/2015	5,546,187	08/04/2020	1,130	1,680	5,487,203	3133EE529	26243	5,539,398
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Fund Total and Average	\$	689,000	1.875	\$	691,391	1500	1.790	\$	688,208	\$	691,293
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[illegible]Hydro 2012 DSRA

07/03/2017 11:39 am



Northern California Power Agency
Treasurer's Report

06/30/2017

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	1,488	1.530	90,982	3136G3S97	26359	94,000
Federal Home Loan Mt	USB	3,928,000	2.375	02/09/2012	3,926,232	01/13/2022	1,657	2.380	4,010,449	3137EADB2	25852	3,927,193
Fund Total and Average		\$ 4,122,000	2.341		\$ 4,120,561		1640	2.344	\$ 4,200,693			\$ 4,121,399

GRAND TOTALS: \$ 31,714,995 1.424 \$ 31,757,879 787 1.388 \$ 31,665,718. \$ 31,738,802

* 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 06/30/2017

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



Northern California Power Agency
Treasurer's Report

06/30/2017

LEC GHG Auction Acct

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		71,678	0.776	07/01/2013	71,678		1	0.776	71,678	SYS70046	70046	71,678

Fund Total and Average	\$	71,678	0.776		\$	71,678	1	0.776	\$	71,678		\$	71,678
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LEC Issue#1 2010A DS Fund

US Bank Trust	USB	519	0.100	07/01/2013	519		1	0.100	519	SYS79003	79003	519
Federal Home Loan Ba	USBT	701,000	1.050	06/30/2017	697,851	12/01/2017	153	1.069	697,705	313385PY6	26436	697,872

Fund Total and Average	\$	701,519	1.049		\$	698,370	153	1.069	\$	698,224		\$	698,391
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LEC Issue #1 2010B DS Fund

US Bank Trust	USB	985	0.100	07/01/2013	985		1	0.100	985	SYS79004	79004	985
Federal Home Loan Ba	USBT	732,000	1.050	06/30/2017	728,712	12/01/2017	153	1.069	728,560	313385PY6	26437	728,733

Fund Total and Average	\$	732,985	1.049		\$	729,697	153	1.068	\$	729,545		\$	729,718
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LEC Issue #2 2010A DS Fund

US Bank Trust	USB	265	0.100	07/01/2013	265		1	0.100	265	SYS79011	79011	265
Federal Home Loan Ba	USBT	442,000	1.050	06/30/2017	440,015	12/01/2017	153	1.069	439,923	313385PY6	26438	440,028

Fund Total and Average	\$	442,265	1.049		\$	440,280	153	1.069	\$	440,188		\$	440,293
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LEC Issue #2 2010B DS Fund

US Bank Trust	USB	436	0.100	07/01/2013	436		1	0.100	436	SYS79012	79012	436
Federal Home Loan Ba	USBT	353,000	1.050	06/30/2017	351,414	12/01/2017	153	1.069	351,341	313385PY6	26439	351,425

Fund Total and Average	\$	353,436	1.049		\$	351,850	153	1.068	\$	351,777		\$	351,861
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LEC Issue #1 2010 DSR Fund

US Bank Trust	USB	149,797	0.100	07/01/2013	149,797		1	0.100	149,797	SYS79005	79005	149,797
Federal National Mfg	USB	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	58	0.977	4,168,624	3135GOMZ3	26136	4,170,096
Federal Farm Credit	USB	4,360,000	1.660	06/08/2016	4,360,000	05/25/2021	1,424	1.659	4,310,034	3133EGBZ7	26337	4,360,000

Fund Total and Average	\$	8,679,797	1.256		\$	8,681,767	743	1.305	\$	8,628,455		\$	8,679,893
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Northern California Power Agency
Treasurer's Report
06/30/2017

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
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US Bank Trust	USB	2,265,181	0.100	07/01/2013	2,265,181		1	0.100	2,265,181	SYS79006	79006	2,265,181
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Fund Total and Average		\$ 2,265,181	0.100		\$ 2,265,181		1	0.100	\$ 2,265,181			\$ 2,265,181
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LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,088,473	0.100	07/01/2013	1,088,473		1	0.100	1,088,473	SYS79013	79013	1,088,473
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Fund Total and Average		\$ 1,088,473	0.100		\$ 1,088,473		1	0.100	\$ 1,088,473			\$ 1,088,473
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LEC O & M Reserve

Local Agency Investm		1,556,344	0.776	07/01/2013	1,556,344		1	0.776	1,556,344	SYS70047	70047	1,556,344
Union Bank of Califto	UBOC	0	0.002	07/18/2013	0		1	0.002	0	SYS70041	70041	0
Federal National Mtg	UBOC	2,993,000	1.875	08/28/2015	2,998,142	02/19/2019	598	1.220	2,955,731	3135G0Z44	26248	2,963,618
Federal Home Loan Ba	USB	3,615,000	1.540	06/30/2017	3,613,952	06/05/2020	1,070	1.550	3,608,204	3130ABJ00	26440	3,613,953
Federal National Mtg	UBOC	3,000,000	1.300	06/30/2016	3,000,000	06/30/2020	1,095	1.300	2,930,460	3136G3UJ2	26341	3,000,000

Fund Total and Average		\$ 11,104,344	1.458		\$ 11,168,438		802	1.287	\$ 11,050,739			\$ 11,133,915
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GRAND TOTALS:		\$ 25,439,678	1.173		\$ 25,495,724		617	1.116	\$ 25,324,260.			\$ 25,459,403
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*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 06/30/2017
Investment #26337 FFCB Callable anytime



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Commission Staff Report

July 19, 2017

COMMISSION MEETING DATE: July 27, 2017

SUBJECT: Sale or Disposal of Surplus Property

AGENDA CATEGORY: Consent

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

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

Note and file report by all members for the disposal of scrap brass impellers from the failed cooling water pump, e-waste and scrap metal.

BACKGROUND:

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

In accordance with that policy, the following disposal or destruction is hereby reported:

<u>Property Description</u>	<u>Quantity</u>	<u>*Method of Disposal</u>	<u>Net Cost From Disposal</u>
Scrap metal – brass impellers from failed cooling water pump.	6	S	\$ 1318.20
Electronic waste	241	S	\$ (306.65)
Scrap metal	1	S	\$ 205.00
		Total	\$ 1216.55

* Note: Public Sale (PS); Private Sale (P), Disposal – Net Scrap Value (S)

FISCAL IMPACT:

This report has no direct fiscal impact to the Agency.

ENVIRONMENTAL ANALYSIS:

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

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachment



NORTHERN CALIFORNIA POWER AGENCY
DECLARATION OF EXCESS

Date: 6/5/17

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

JUSTIFICATION FOR EXCESS/DISPOSAL: E-waste / Scrap Metal

RECOMMENDED DISPOSITION: Disposal

PREPARED BY: Melissa Philpov / Michael DeBortoli *Michael DeBortoli*
ORG. *San Jo* 6.8.17 CODE: _____
APPROVED BY: _____ DATE: 6/19/17
AUTHORIZATION (ASST. GEN. MANAGER)
TO PROCEED: *Anthony B. 167* (GENERAL MANAGER)

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

ORIGINAL TO TREASURER-CONTROLLER



Date: May 8, 2017

**DECLARATION OF SURPLUS
SUPPLIES, MATERIALS & EQUIPMENT**

QTY	U/M*	DESCRIPTION (Including All Applicable Model #'s, LCNs & VINs)	COND**	ESTIMATED VALUE		NCPA Property or Project #	SITE LOCATION
				UNIT	TOTAL		
1.	6	Brass impellers from failed cooling water pump	Scrap	\$1.30 per pound	\$520		Murphys
2.							
3.							
4.							
5.							
6.							
7.							
8.							

JUSTIFICATION FOR SURPLUS/DISPOSAL:

PREPARED BY: Amber Summersett 5-8-17 5/8/17
 APPROVED BY: [Signature] 5-12-17 ORG. CODE: _____
 AUTHORIZATION TO PROCEED: [Signature] 5/16/17 DATE: _____
 (ASST. GEN. MANAGER) (GENERAL MANAGER)

RECOMMENDED DISPOSITION:
 NEGOTIATED (Private) SALE _____
 PUBLIC SALE: _____ SEALED BIDS _____ AUCTION _____
 DISPOSAL: X SCRAP/RECYCLE VALUE _____ NO VALUE - TRASH/JUNK _____
 DISPOSITION JUSTIFICATION:
 Brass impellers from failed cooling water pump, no functional value in the failed pump.
 ** CONDITION: EXCELLENT (E), GOOD (G), AVERAGE (A), POOR (P), SCRAP (S)

ORIGINAL TO TREASURER-CONTROLLER

ATTACHMENT 1



Commission Staff Report

July 17, 2017

COMMISSION MEETING DATE: July 27, 2017

SUBJECT: TCB Industrial, Inc. – Five Year Multi-Task General Services Agreement for service, inspection, consultation on turbines, generators, auxiliary equipment, and hydraulic systems; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Ken Speer <i>KS</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Hydroelectric	

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

Approval of Resolution 17-62 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with TCB Industrial, Inc. for service, inspection, consultation on turbines, generators, auxiliary equipment, and hydraulic systems, 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:

TCB Industrial, Inc. provides service, inspection and consultation on turbines, generators, auxiliary equipment, large diameter valves, pumps, hydraulic systems, runner cavitation repairs, bearing adjustments, fish screens and other miscellaneous structures and systems which are required for project support at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

FISCAL IMPACT:

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

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 enabling agreements with Andritz Hydro, Ethos Energy, Sulzer Turbo Services, and ProEnergy Services for similar services and seeks bids from other qualified providers where possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

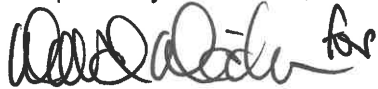
This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on July 5, 2017 and was recommended for Commission approval.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on July 10, 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 General Services Agreement with TCB Industrial, Inc.

RESOLUTION 17-62

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH
TCB INDUSTRIAL, INC.**

(reference Staff Report #182:17)

WHEREAS, service, inspection and consultation on turbines, generators, auxiliary equipment, large diameter valves, and other miscellaneous structures and/or systems support is required to maintain proper functioning at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.; and

WHEREAS, TCB Industrial, Inc. is a provider of these services; and

WHEREAS, on July 10, 2017, the LEC Project Participant Committee approved the agreement with TCB Industrial, 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 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with TCB Industrial, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for service, inspection and consultation 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	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

GARY PLASS
COMMISSION VICE-CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
TCB INDUSTRIAL, INC.**

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 TCB Industrial, Inc., a corporation with its office located at 2955 Farrar Ave, Modesto, CA 95355 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2017 ("Effective Date") in Roseville, California.

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

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

the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

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

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

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

Invoices shall be sent to:

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

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

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

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

2.5 Timing for Submittal of Final Invoice. Contractor shall have 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, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$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.** Intentionally Omitted.
- 4.4 Pollution Insurance.** Intentionally Omitted
- 4.5 All Policies Requirements.**
- 4.5.1 Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.
- 4.5.2 Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.
- 4.5.3 Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.
- 4.5.4 Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.
- 4.6 Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. 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.
- 4.7 Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by

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

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

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

Section 6. STATUS OF CONTRACTOR.

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

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

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

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

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

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

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

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of

California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

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

Contractor shall 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.

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

Section 8. TERMINATION AND MODIFICATION.

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

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

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by 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 under this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.
- 9.4 **Confidential Information and Disclosure.**
 - 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information,

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

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

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

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

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

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

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such

copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

- 10.1 Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.
- 11.2 Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-

compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

- 12.5 Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6 Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8 Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10 If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13 MISCELLANEOUS PROVISIONS.

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

- 13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

- 13.7 **Contract Administrator.** This Agreement shall be administered by 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:

Bruce C. Elliott
Owner \ CFO
TCB Industrial, Inc.
2955 Farrar Ave
Modesto, CA 95355

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency

651 Commerce Drive
Roseville, CA 95678

With a copy to:

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

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

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

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

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

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

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

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

NORTHERN CALIFORNIA POWER AGENCY

TCB INDUSTRIAL, INC.

Date_____

Date_____

RANDY S. HOWARD, General Manager

BRUCE C. ELLIOTT, Owner/CFO

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

EXHIBIT A

SCOPE OF WORK

TCB Industrial, Inc. ("Contractor") shall provide mechanical, millwright, and civil maintenance services as requested by the Northern California Power Agency ("Agency") at any facilities owned and/or operated by Agency, its Members, or Southern California Public Power Authority ("SCPPA"). These may include services, without limitation, for:

- Turbines
- Generators
- Auxiliary Equipment
- Large Diameter Valves
- Pumps
- Hydraulic Systems
- Runner Cavitation Repairs
- Bearing Adjustments
- Turbine Inspection & Consultation Services
- Fish Screens
- Miscellaneous Structures and Systems

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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



CONFIDENTIAL RATE SHEET

Client Information

Northern California Power Agency
651 Commerce Drive
Roseville, CA. 95678

Phone (209) 728-1387
Fax
Contact Randy Bowersox

Union Appointments

Carpenters/Millwrights
United Association
Laborers
Operators
Cement Masons

Agreements

100% / 100% NMAPC
100% / 100% NMAPC
100% / 100% NMAPC
100% / 100% NMAPC
100% / 100% NMAPC

Rates Established	ST	OT	DT
Senior Mechanical Engineer	179.00	251.00	327.00
Project Manager	144.00	191.00	269.00
Hydro Specialist	144.00	204.00	265.00
General Superintendent	124.00	161.00	193.00
Millwright General Foreman	116.00	152.00	178.00
Millwright Foreman	114.00	146.00	174.00
Millwright Journeyman	110.00	138.00	164.00
Carpenter General Foreman	123.00	157.00	189.00
Carpenter Foreman	108.00	138.00	164.00
Carpenter Journeyman	103.00	129.00	153.00
General Laborer	90.00	107.00	128.00
Operator Foreman	111.00	142.00	169.00
Operator Journeyman	108.00	135.00	160.00
Cement Mason Foreman	98.00	125.00	150.00
Cement Mason Journeyman	92.00	116.00	138.00
Pipefitter General Foreman	126.00	170.00	207.00
Pipefitter Foreman	113.00	147.00	176.00
Pipefitter Journeyman	108.00	137.00	164.00
Shop Laborer	75.00	95.00	115.00
Confined Space Rescue Person	125.00	165.00	201.00
Rescue Module	\$500 per day		

*Material, Subcontractors, Third Party Rentals; Cost Plus 15% Mark-Up

*Other rates (crafts/equipment) are available as required

*All manpower and equipment are subject to availability at time required

*All overtime is at time & one-half, Sundays/Holidays are billed at double time

*Quoted labor rates include hourly pay and fringe benefits as dictated by current union agreements

*Our rates are based upon standing national maintenance agreements with local union located in your area

*These rates are subject to re-negotiation and revision on or about June & December of each year

*Subsistence may be applicable and subject to actual Job location and craft.

*If applicable, per diem, meals and incidentals shall be billed per man at current GSA rates.

*Deliveries and shop labor shall be billed by the hour.

*Tooling up, loading and offloading, and detooling shall be billed per hour.

*TCB Industrial, Inc. is an equal opportunity employer

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 June 2017 and may be subject to a semiannual increase based upon the applicable signatory union increase. The proposed increase shall be submitted to NCPA at least 30 days before its effective date and subject to NCPA's written approval.

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, Bruce C. Elliott, CFO

(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

TCB Industrial, Inc.

(Company name)

for contract work at

LODI ENERGY CENTER, 12745 N. Thornton Road, Lodi, CA 95242

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, Bruce C. Elliott, CFO

(Name of person signing affidavit)(Title)

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

TCB Industrial, Inc.

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

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

EXHIBIT E

ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND

MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT

The undersigned hereby certifies and agrees that:

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

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Commission Staff Report

July 17, 2017

COMMISSION MEETING DATE: July 27, 2017

SUBJECT: Gold Electric, Inc. – Five Year Multi-Task General Services Agreement for electrical maintenance services; Applicable to the following projects: All NCPA Facility Locations (except LEC), Members, SCPPA and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Ken Speer <i>KS</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Hydroelectric	

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

RECOMMENDATION:

Approval of Resolution 17-63 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Gold Electric, Inc. for electrical maintenance services and support, equipment rental, and maintenance of electrical communication, control and security systems, 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 (except Lodi Energy Center), its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.

BACKGROUND:

Electrical maintenance services and support, equipment rental and maintenance of electrical communication, control and security systems, is required for project support at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.

FISCAL IMPACT:

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

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 agreements with similar service providers such as Knights’ Electric, Industrial Electrical Company, and Radco Communications. NCPA seeks bids from multiple qualified providers. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required

ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on July 5, 2017 and was recommended for Commission approval.

Respectfully submitted,

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

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Gold Electric, Inc.

RESOLUTION 17-63

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH
GOLD ELECTRIC, INC.

(reference Staff Report #183:17)

WHEREAS, electrical maintenance services, equipment rental and maintenance of electrical communication, control and security systems 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, Gold Electric, Inc. is a provider of these services; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Gold Electric, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for electrical maintenance services, equipment rental and maintenance of communication, control, and security systems related to project support and plant operations for use at all facilities (except Lodi Energy Center) 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	_____	_____	_____
Shasta	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

GARY PLASS
COMMISSION VICE-CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
GOLD ELECTRIC, INC.**

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 Gold Electric, Inc., a corporation with its office located at 821 Murphys Creek Road, #A-2, Murphys, CA 95247 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 201_ ("Effective Date") in Roseville, California.

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

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

the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

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

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$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. 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, 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.** Intentionally omitted.
- 4.4 **Pollution Insurance.** Intentionally omitted.
- 4.5 **All Policies Requirements.**
- 4.5.1 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.
- 4.5.2 **Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.
- 4.5.3 **Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.
- 4.5.4 **Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.
- 4.6 **Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. 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.
- 4.7 **Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated,

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

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

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

Section 6. STATUS OF CONTRACTOR.

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

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its

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

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

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

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

6.5 **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** Intentionally omitted; Contractor will not perform any work at the Lodi Energy Center.

6.6 **Maintenance Labor Agreement.** Intentionally omitted; Contractor will not perform any work at the Lodi Energy Center.

Section 7. LEGAL REQUIREMENTS.

7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.

7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.

7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.

7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

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

Contractor shall 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.

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

Section 8. TERMINATION AND MODIFICATION.

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

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

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by 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 under this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.
- 9.4 **Confidential Information and Disclosure.**
 - 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a

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

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

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

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

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

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

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

Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

- 10.1 Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and

workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

- 11.2 Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged,

understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

- 12.5 Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6 Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8 Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10 If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13 **MISCELLANEOUS PROVISIONS.**

- 13.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the

state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

- 13.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

- 13.7 Contract Administrator.** This Agreement shall be administered by 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:

Jim Heryford, President
Gold Electric, Inc.
PO Box 1008
Murphys, CA 95247

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

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

process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

- 13.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.
- 13.13 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 13.14 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 13.15 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

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

NORTHERN CALIFORNIA POWER AGENCY

GOLD ELECTRIC, INC.

Date_____

Date_____

RANDY HOWARD, General Manager

JIM HERYFORD, President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel

EXHIBIT A

SCOPE OF WORK

Gold Electric, Inc. ("Contractor") as requested by Northern California Power Agency ("Agency"), Agency Members, SCPPA, or SCPPA Members, shall perform the following services including, without limitation:

- Electrical maintenance support
- Equipment rental
- Maintenance of electrical, communication, control, and security systems

GOLD ELECTRIC, INC. is not a signatory to the Maintenance Labor Agreement for the Lodi Energy Center Project and therefore will not perform any such work at that NCPA facility.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates are:



P.O. Box 1008
Murphys, CA 95247

Phone: (209) 728-3371
Fax: (209) 728-3420

DATED: June 20, 2017

TO: Amber Summersett -NORTHERN CALIFORNIA POWER AGENCY

FROM: Jim Heryford

RE: Exhibit "B" – Compensation Schedule and Hourly Fees – Electrical Contractor

Amber:

Per your request Gold Electric, Inc. submits the following rates for labor and equipment:

LABOR: Journeyman Electrician at prevailing wage rate, Calaveras County, with all overheads, profit, pickup truck and common hand tools - \$109.55/hour

APPRENTICE LABOR:

Year One:	\$ 71.70
Year Two:	80.95
Year Three:	88.35
Year Four:	95.22
Year Five:	103.45

PROJECT MANAGER, IF NECESSARY: \$85.00/hour

ESTIMATOR, IF NECESSARY: \$78.00/hour

MATERIAL: Invoiced at cost, including tax, with 10% profit.

EQUIPMENT: See attached "Equipment Rate Schedule" for specific equipment costs.

VEHICLE MILEAGE: Any project in excess of 50 miles round trip from Murphys, will incur a mileage cost of .65 cents per mile per truck.

PER DIEM, IF NECESSARY: For out of area work, \$45.00/day per man, plus lodging.

10% will be added to the total of all labor, material, equipment and subcontractors.

-1-

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

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

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

EXHIBIT C – Not Applicable

CERTIFICATION

Affidavit of Compliance for Contractors

GOLD ELECTRIC, INC. is not a signatory to the Maintenance Labor Agreement for the Lodi Energy Center Project and therefore will not perform any such work at that NCPA facility.

I,

(Name of person signing affidavit)(Title)

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

(Company name)

for contract work at

Lodi Energy Center, 12745 Thornton Road, Lodi, CA 95242

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

EXHIBIT D – Not Applicable

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

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

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

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

EXHIBIT E – Not Applicable

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

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

The undersigned hereby certifies and agrees that:

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

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Commission Staff Report

July 17, 2017

COMMISSION MEETING DATE: July 27, 2017

SUBJECT: Compliance Services, Inc. – First Amendment to Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA Generation Plant Facilities, Members, Southern California Public Power Authority (“SCPPA”) or SCPPA Members

AGENDA CATEGORY: Consent

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

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

RECOMMENDATION:

Approval of Resolution 17-61 authorizing the General Manager or his designee to enter into a First Amendment to Multi-Task General Services Agreement with Compliance Services, Inc., with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for use at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority ("SCPPA") or SCPPA Members.

BACKGROUND:

Pipeline Hazardous Materials Safety Administration (PHMSA) services are required at the NCPA, Member, SCPPA and SCPPA Member locations from time to time. Compliance Services, Inc. is a provider of these services. NCPA entered into a five year Multi-Task General Services Agreement with Compliance Services, Inc. effective February 26, 2016 for an amount not to exceed \$1,500,000. This amendment will modify Exhibit A to expand the scope of work for additional services. This agreement will be for use at any facility owned and/or operated by the Agency, its Members, SCPPA or SCPPA Members.

FISCAL IMPACT:

Total cost of the agreement is not to exceed \$1,500,000 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.

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. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on July 5, 2017 and was recommended for Commission approval.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on July 10, 2017 and was approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard", written over a horizontal line.

RANDY S. HOWARD
General Manager

Attachments (3):

- Resolution
- Multi-Task General Services Agreement for with Compliance Services, Inc.
- First Amendment to Multi-Task General Services Agreement for with Compliance Services, Inc.

RESOLUTION 17-61

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT WITH COMPLIANCE SERVICES, INC.

(reference Staff Report #181:17)

WHEREAS, Northern California Power Agency (NCPA) facilities, its Members, Southern California Public Power Authority ("SCPPA") and SCPPA Members require Pipeline Hazardous Materials Safety Administration (PHMSA) services at its various locations; and

WHEREAS, Compliance Services, Inc. is a provider of these services; and

WHEREAS, NCPA and Compliance Services, Inc. entered into a five year Multi-Task General Services Agreement effective February 26, 2016; and

WHEREAS, NCPA seeks to modify Exhibit A to expand the scope of work for additional services; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a First Amendment to Multi-Task General Services Agreement with Compliance Services, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years.

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	_____	_____	_____
Shasta	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

GARY PLASS
COMMISSION VICE-CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



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

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 Compliance Services, Inc., a with its office located at 2416 Tiverton Drive, Bakersfield, CA 93311 ("Contractor") (together sometimes referred to as the "Parties") as of 2/26/, 2016 ("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 Exhibits A and A-1 through A-6 and incorporated herein ("Work").

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

the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED ONE MILLION FIVE HUNDRED THOUSAND dollars (\$1,500,000.00)** for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable

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, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$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. Contractor shall maintain professional liability insurance appropriate to Contractor's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000) aggregate covering the Contractor's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000.00) per claim. Such insurance shall be on "an occurrence" basis.

4.4 Pollution Insurance. If Contractor's Work involves its transporting hazardous materials, then Contractor shall obtain and maintain Contractors' Pollution Liability Insurance of not less than two million dollars (\$2,000,000) for any one occurrence and not less than four million dollars (\$4,000,000) aggregate. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000.00) per claim. Such insurance shall be on "an occurrence" basis.

"Hazardous Materials" means any toxic or hazardous substance, hazardous material, dangerous or hazardous waste, dangerous good, radioactive material, petroleum or petroleum-derived products or by-products, or any other chemical, substance, material or emission, that is regulated, listed, or controlled pursuant to any national, state, or local law, statute, ordinance, directive, regulation, or other legal requirement of the United States.

4.5 All Policies Requirements.

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

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

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

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCLPA and/or SCLPA members pursuant to this Agreement, Agency shall have the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCLPA and/or SCLPA member for which the Work is to be performed.

4.6 Waiver of Subrogation. Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. 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.

4.7 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, 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 Contractor in its performance of Work under this Agreement. Contractor 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.

Section 6. STATUS OF CONTRACTOR.

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

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

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

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

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an

agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.

- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

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

- 7.4 Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

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

Contractor shall 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.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$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 Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the

amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

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

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

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by 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 under this Agreement.

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

9.4 Confidential Information and Disclosure.

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

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

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

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

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

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

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

Section 10. PROJECT SITE.

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

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

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

Section 11. WARRANTY.

11.1 Nature of Work. In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

11.2 Deficiencies in Work. In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.
- 12.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.

- 12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8 Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10 **Work Provided Pursuant to Section 1.4.** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13 MISCELLANEOUS PROVISIONS.

- 13.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

- 13.6 Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

- 13.7 Contract Administrator.** This Agreement shall be administered by 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:

Compliance Services, Inc.
Attention: Andy Bradfield, President
2416 Tiverton Drive
Bakersfield, CA 93311

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 remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 13.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, 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.

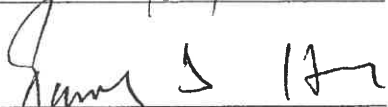
13.14 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

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. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member. If requested by Agency, such Member will sign the "Acknowledgement of Agreement", attached hereto as Exhibit F and incorporated herein, prior to the Contractor performing Work under the Purchase Order.

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


NORTHERN CALIFORNIA POWER AGENCY

Date 2/26/16



RANDY S. HOWARD, General Manager

COMPLIANCE SERVICES, INC.

Date 2/19/2016


ANDY BRADFELD, President

Attest:


Assistant Secretary of the Commission

Approved as to Form:


Assistant General Counsel

EXHIBIT A
SCOPE OF SERVICES, COMPENSATION AND HOURLY FEES

SUMMARY OF SCOPE OF WORK

Compliance Services, Inc. ("Contractor") shall complete the following Pipeline Hazardous Materials Safety Administration (PHMSA) activities as requested by the Northern California Power Agency ("Agency") at any Facilities owned or operated by NCPA, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members:

- Ongoing operations and maintenance field activities
- Ongoing operations and maintenance compliance activities
- Ongoing demonstration of operator qualification (OQ) compliance
- Ongoing integrity management program field activities
- Ongoing integrity management compliance
- Ongoing integrity management action items

Operations and Maintenance Field Activities:

1. Complete PHMSA gas pipeline operations and maintenance (O&M) tasks field activities as identified in Exhibit A-1 shown below.
 - Contractor shall complete all O&M gas pipeline tasks in a timely manner in accordance with DOT pipeline regulations, company O&M procedures, company pipeline emergency plan procedures, pipeline operator qualification procedures, and all appropriate industry standards.
 - Contractor shall develop pipeline O&M procedures as required by 49 CFR 192.
 - Contractor will be available and take the lead during PHMSA pipeline O&M audits when they occur. And the company must be able to provide all required procedures and records as required by 49 CFR 192.
 - Contractor shall make all required PHMSA documentation available for viewing to NCPA staff using online database/management system.

EXHIBIT A-1
O&M Task Field Activities

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
Ongoing O&M:			
1.	Patrols (class 3)	2x/yr ²	192.705
2.	Critical Crossings Inspection (class 3)	4x/yr ³	192.705
3.	Leak Survey with Instrument (class 3)	2x/yr ²	192.706
4.	Emergency Valve Inspection	1x/yr ¹	192.745
5.	Test Pressure Relief Valve	1x/yr ¹	192.739
6.	Atmospheric Corrosion Inspection	1x/yr ⁵	192.481
7.	Test Gas for Corrosive Properties	1x/yr ⁵	192.477
8.	Pipe to Soil (CP Survey)	1x/yr ¹	192.465(b)
9.	Rectifier Inspection & Readings	6x/yr ⁷	192.465(b)
10.	Class Location Study	1x/yr ⁵	192.609
Event Driven O&M Items:			
11.	One Call Processing, Marking, Onsite Standby if Pipeline Exposed (Hourly rate applies)	AR	192.614
12.	External Exposed Pipe Report Inspections	AR	192.459
13.	Internal Exposed Pipe Report	AR	192.475(b)
14.	Maintain Pipeline Markers	AR	192.707
15.	Maintain Warning Signs	AR	192.751
16.	Emergency Valves Protection from Tampering or Vandalism	AR	192.179

1x/yr¹ = Once per calendar year, not to exceed 15 months
 2x/yr² = Twice per calendar year, not to exceed 7 ½ months
 4x/yr³ = Four times per calendar year, not to exceed 4 ½ months
 AR = As required
 1x/yr⁴ = Due by March 15th for previous calendar year
 1x/yr⁵ = Once per calendar year
 1x/yr⁶ = Once per calendar year, not to exceed 18 months
 6x/yr⁷ = Six times per calendar year, not to exceed 2 ½ months

Remedial measures if needed above and beyond normal O&M activities listed in the table above would be invoiced at cost plus 15%. Examples of remedial measures for O&M activities:

- 1) Pipe casing work
- 2) Work regarding leak
- 3) Emergency valve work

- 4) Relief valve work
- 5) Remedial measure to mitigate corrosive properties in the gas. For example, installing corrosion coupons, injection corrosion inhibitor
- 6) Remedial measures to mitigate low cathodic protection readings. For example, additional surveys like Close Interval Survey, installing anodes, etc.
- 7) Rectifier work
- 8) Pipeline coating work
- 9) Pipe segments work

Operations and Maintenance Compliance Activities:

2. Contractor shall complete PHMSA gas pipeline operations and maintenance (O&M) tasks compliance activities as identified in Exhibit A-2 shown below.
 - These compliance tasks shall be completed in a timely manner in accordance with DOT pipeline regulations, Company O&M procedures, pipeline emergency plan procedures, pipeline operator qualification procedures, and all appropriate industry standards.

EXHIBIT A-2 O&M Task Compliance Activities

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
	<i>Ongoing O&M Compliance Items:</i>		
	Update CP Maps	1x/yr ⁵	192.491(a)
	Update Construction Maps and Records	1x/yr ⁵	192.603(b)
1.	O&M Procedures Review	1x/yr ¹	192.605(a)
2.	PHMSA Annual Report	1x/yr ⁴	191.17
3.	Review Work Performed by Operator	1x/yr ⁵	192.605(b)(8)
4.	Relief Valve Capacity Review	1x/yr ⁵	192.743
5.	Continuing Surveillance Review	1x/yr ⁵	192.613
6.	Government Liaison Meeting	1x/yr ⁵	192.614
7.	Maintain List of Excavators	1x/yr ⁵	192.614
8.	Member of "One Call" dig alert in California	Ongoing	192.614
9.	Public Awareness Mailers to Residents	1x/2yr	192.616
10.	Public Awareness: Mailers to Excavators	1x/yr ⁵	192.616
11.	Public Awareness: Mailers to Em. Responders	1x/yr ⁵	192.616
12.	Public Awareness: Mailers to Public Officials	1x/3yr	192.616
13.	PA Surveys Results & Conclusions - Residents	1x/4yr	192.616
14.	PA Surveys Results & Conclusions – Excavators	1x/4yr	192.616
15.	PA Surveys Results & Conclusions – Em. Responders	1x/4yr	192.616

16.	PA Surveys Results & Conclusions - Public Officials	1x/4yr	192.616
17.	PA Program Self Assessment	1x/yr ⁵	192.616
Drug Plan and Testing Items:			
1.	Company (Contractor) Drug Plan & Procedures	1x/yr ⁵	199
2.	Company (Contractor) Records of Random Drug Testing	1x/yr ⁵	199
3.	Sub-Contractor Drug Plan & Procedures	1x/yr ⁵	199
4.	Sub-Contractor Records of Random Drug Testing	1x/yr ⁵	199
5.	Post Accident Drug Testing Records	AR	199
Emergency Response Items:			
1.	Pipeline Emergency Procedures Review	1x/yr ¹	192.605(a)
2.	Emergency Drill or Training & Verify Effectiveness	1x/yr ⁵	192.615(b)(2)
3.	Verify Qualification of Emergency Contractor	1x/yr ⁵	Em. Plan
4.	Documentation of OSHA Hazwoper 8 HR Refresher	1x/yr ⁵	Em. Plan
5.	Emergency Activity Review After an Em. Event	AR	192.615(b)(3)
Event Driven O&M Compliance Items:			
1.	Verify MAOP if Class Location Changes	AR	192.611
2.	Telephonic Reports to NRC	AR	191.5
3.	Incident Report	AR	191.15
4.	Safety Related Condition Report	AR	191.23
5.	Abnormal Operations Report	AR	192.605(c)
6.	Failure Investigation Report	AR	192.617
7.	Conversion of Service Report	AR	192.14
8.	Abandonment Report	AR	192.727
9.	Pressure Testing Report	AR	192.501-517

Additional Operations and Maintenance Activities:

3. Contractor shall complete PHMSA gas pipeline additional operations and maintenance (O&M) activities as identified in Exhibit A-3 shown below.
 - These compliance tasks shall be completed in a timely manner in accordance with DOT pipeline regulations, Company O&M procedures, pipeline emergency plan procedures, pipeline operator qualification procedures, and all appropriate industry standards.

EXHIBIT A-3
Additional O&M Task Compliance Activities

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
	<i>Additional Event Driven O&M Compliance Items:</i>		
1.	Test Results to Qualify Welding Procedures	AR	192.225
2.	Welder re-qualification	AR	192.227
3.	Visual Weld Inspector Training/Experience	AR	192.241(a)
4.	NDT: Procedures	AR	192.243(c)
5.	NDT: Total Number of Girth Welds	AR	192.243(f)
6.	NDT: Number of Welds Inspected by NDT	AR	192.243(f)
7.	NDT: Number of Welds Rejected	AR	192.243(f)
8.	NDT: Disposition of Each Rejected Weld	AR	192.243(f)
9.	Underground Clearance Distance	AR	192.325
10.	Pressure Testing	AR	192.517
11.	Upgrading	AR	192.553(b)
12.	Prevention of Accidental Ignition	AR	192.751
13.	Welding Procedures	AR	192.225(b)
14.	Welding Qualification	AR	192.227, 229
15.	Pipeline Work	AR	192.709
16.	New System Design Evaluation to Minimize Internal Corrosion	AR	192.476(c)

Operator Qualification Compliance Activities:

4. Contractor shall complete PHMSA gas pipeline operator qualification (OQ) tasks compliance activities as identified in Exhibit A-4 shown below.
 - These OQ activities shall be completed in a timely manner in accordance with DOT pipeline regulations, Company O&M procedures, pipeline operator qualification procedures, and all appropriate industry standards.
 - Contractor shall develop pipeline OQ procedures as required by 49 CFR 192.
 - Contractor will be available and take the lead during PHMSA pipeline OQ audits when they occur. And the company must be able to provide all required procedures and records as required by 49 CFR 192.801-809 and PHMSA OQ inspection protocols.
 - Contractor shall make all required PHMSA OQ documentation available for viewing to NCPA staff using online call up system.

EXHIBIT A-4
OQ Compliance Activities

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
Ongoing OQ Compliance Items:			
1.	Provide OQ Records via Online System Available to NCPA Using Password Protection	Ongoing	192.801-809 PHMSA protocols
2.	Provide Sub-Contractor Records via Online System Available to NCPA Using Password Protection	1x/3yr	192.801-809 PHMSA protocols
3.	Review and Update OQ Plan	1x/yr ¹	192.801-809 PHMSA protocols
5.	Train Company Employees as Needed to Maintain Qualifications	1x3yr	192.801-809 PHMSA protocols
6.	Operate Pipeline on Daily Basis Only Using Qualified Personnel	Ongoing	192.801-809 PHMSA protocols

Integrity Management Field and Compliance Activities:

5. Contractor shall complete PHMSA gas pipeline integrity management (IMP) tasks compliance activities as identified in Exhibit A-5 shown below.
 - These IMP activities shall be completed in a timely manner in accordance with DOT pipeline regulations, company IMP procedures, company O&M procedures, pipeline operator qualification procedures, and all appropriate industry standards.
 - As minimum, annual reviews using agenda format shall be conducted for each IMP element shown in Exhibit A-1 to satisfy all the requirements in Exhibit B (PHMSA IMP protocols).
 - Contractor shall develop pipeline IMP procedures as required by 49 CFR 192.
 - Contractor will be available and take the lead during PHMSA pipeline IMP audits when they occur. And the company must be able to provide all required IMP procedures and IMP records as required by 49 CFR 192. See EXHIBIT B, PHMSA Gas IMP Inspection Protocols for a list of required IMP procedures and documentation.
 - Contractor shall make all required PHMSA documentation available for viewing to NCPA staff using online call up system.

EXHIBIT A-5
Summary of IMP Compliance Activities

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
<i>Summary of Ongoing IMP Compliance Items:</i>			
1.	Element #1: ID of HCAs	1x/yr ⁶	
2.	Element #2: ID of Threats, Data Integration, and Risk Analysis	1x/yr ⁶	
3.	Element #3: Baseline Assessment	1x/yr ⁶	
5.	Element #4: Direct Assessment	1x/yr ⁶	
6.	Element #5: Remediation Work	1x/yr ⁶	
7.	Element #6: Continual Evaluation and Assessment	1x/yr ⁶	
8.	Element #7: Confirmatory Direct Assessment	1x/yr ⁶	
9.	Element #8: Preventive and Mitigative Measures	1x/yr ⁶	
10.	Element #10: Record Keeping	1x/yr ⁶	
11.	Element #11: Management of Change	1x/yr ⁶	
12.	Element #12: Quality Assurance	1x/yr ⁶	
13.	Element #13: Communication Plan	1x/yr ⁶	
14.	Element #14: Agency Notification	1x/yr ⁶	
15.	Element #15: Environment and Safety	1x/yr ⁶	

6. Contractor shall complete PHMSA Gas Integrity Management Program (IMP) required integrity assessments as currently scheduled for May 2020. Frequency of re-assessments shall not exceed 1x/7 years. Note, pipeline is not piggable at this time. Please provide an integrity assessment price below:

- 1) Eight hour pressure test using nitrogen
- 2) External corrosion direct assessment (ECDA)
- 3) Other technology as approved by PHMSA

EXHIBIT A-6
Integrity Management Program Action Items

#	Description:	Target Date	Estimated Costs:
1	Provide data integration maps to satisfy IMP element #2 requirements. Maps must use GPS coordinates and meet ArcGIS industry standard.	Oct 2016	\$5,000
2	Conduct pressure test as required by IMP element #6.	May 2020	Cost plus 15% (\$80,000 Estimate Only)
3	Supervise and coordinate relocation of NCPA pipeline when required by city of Alameda for ongoing development project. Provide time and material rate.	tbd	Cost plus 15% (\$800,000 Estimate Only)
Total Cost Exhibit A-6			\$885,000 (estimate)

EXHIBIT B
COMPENSATION SCHEDULE AND HOURLY FEES

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

Bid Costs Breakdown:

1. Completion of all items described above in under the following headings:
 - ✓ **Operations and Maintenance Field Activities: (Exhibit A-1)**
 - ✓ **Operations and Maintenance Compliance Activities: (Exhibit A-2)**
 - ✓ **Additional Operations and Maintenance Compliance Activities (Exhibit A-3)**
 - ✓ **Operator Qualification Compliance Activities: (Exhibit A-4)**
 - ✓ **Integrity Management Field and Compliance Activities: (Exhibit A-5)**
 - ✓ **PHMSA IMP Inspection Protocols per Pipeline and Hazardous Materials Safety Administration Office of Pipeline Safety, Gas Integrity Management Inspection Manual, Inspection Protocol with Results Forms, August 2013 (Exhibit A-6)**

Cost:

1st Year - \$79,200 (\$6,600/month)
2nd Year - \$80,400 (\$6,700/month)
3rd Year - \$81,600 (\$6,800/month)
4th Year - \$82,800 (\$6,900/month)
5th Year - \$84,000 (\$7,000/month)

Assumptions:

- The prices in this proposal are for a five year period. NCPA will be invoiced once per month.
- Contractor may use subcontractors to complete some of the pipeline tasks. A list of subcontractors will be provided.

2. Time and material as needed for USA One Call excavation marking and onsite monitoring.

Cost - \$80/hour

3. Miscellaneous expenses, travel, and consulting beyond the scope of proposal.

- **Travel Time = \$50/hour**
- **Mileage = IRS mileage rate (\$0.54/mile in 2016)**
- **Food = \$50/day**
- **Lodging = At cost or IRS per diem rate (\$140/night for Alameda, Ca.)**
- **Consulting Rate: \$125/hour**

4. Cost to complete Gas Integrity Management Program (IMP) Action Items as identified in Exhibit A-6 below. **Cost shown in table A-6 below**

Remedial measures and mitigation activities required by integrity assessments and risk analysis will be invoice at cost plus 15% but must be approved in writing and purchase order issued by NCPA before work begins.

Examples of remedial measures for IMP activities to be invoiced at cost plus 15%:

- 1) Pipe casing work
- 2) Work due to integrity assessment
- 3) Excavation, coating work, pipeline work due to integrity assessments
- 4) Work on pipeline due to a leak during pressure test

TABLE A-6
Integrity Management Program Action Items

#	Description:	Target Date	Estimated Costs:
1	Provide data integration maps to satisfy IMP element #2 requirements. Maps must use GPS coordinates and meet ArcGIS industry standard.	Oct 2016	\$5,000
2	Conduct pressure test as required by IMP element #6.	May 2020	Cost plus 15% (\$80,000 Estimate Only)
3	Supervise and coordinate relocation of NCPA pipeline when required by city of Alameda for ongoing development project. Provide time and material rate.	?	Cost plus 15% (\$800,000 Estimate Only)
Total Cost Table A-6			\$885,000 (estimate)

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

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

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I, Andy Bradford

(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
COMPLIANCE SERVICES, INC.

(Company name)

for contract work at:

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

(Project name and location)

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

Andy Bradford
(Signature of officer or agent)

Dated this 19th day of February, 20 16.

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

EXHIBIT D - NOT APPLICABLE

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

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

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

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

EXHIBIT E - NOT APPLICABLE

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND
MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

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

DATED: _____

Name of Employer _____

(Authorized Officer & Title)

(Address)

EXHIBIT F

Acknowledgement of Agreement

This Acknowledgement confirms the intent of _____, a _____ ("Member") to participate in and utilize the Multi-Task Agreement to which this Exhibit is attached, including all other Exhibits attached hereto, between the Northern California Power Agency ("Agency") and _____ ("Contractor") effective _____, 20__ ("Agreement"). Member has reviewed the terms and conditions of the Agreement in detail and agrees to abide by them. It is understood and agreed that payments for Services by Contractor provided to Member shall be paid by Agency and funded by Member to Agency pursuant to a Support Services Program Agreement between Agency and Member. All invoices for Services for Member shall be addressed to Agency.

Further, Member agrees and acknowledges that the terms, conditions, and applicable Exhibits set forth in the Agreement will apply between Member and Contractor.

MEMBER

By: _____

Printed: _____

Title: _____

Date: _____

CONTRACTOR

By: _____

Printed: _____

Title: _____

Date: _____



**FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND COMPLIANCE SERVICES, INC.**

This First Amendment ("Amendment") to Multi-Task General Services Agreement is entered into by and between the Northern California Power Agency ("Agency") and Compliance Services, Inc. ("Contractor") (collectively referred to as "the Parties") as of _____, 2017.

WHEREAS, the Parties entered into a Multi-Task General Services Agreement dated effective February 26, 2016, (the "Agreement") for Contractor to provide Pipeline Hazardous Materials Safety Administration (PHMSA) services; and

WHEREAS, the Agency now desires to amend the Summary of Scope of Work set forth in Exhibit A to the Agreement; and

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

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

NOW, THEREFORE, the Parties agree as follows:

1. **Exhibit A – SCOPE OF SERVICES** is amended and restated to read in full as set forth in the attached Exhibit A.
2. This Amendment in no way alters the terms and conditions of the Agreement except as specifically set forth herein.

Date: _____

Date: _____

NORTHERN CALIFORNIA POWER AGENCY

COMPLIANCE SERVICES, INC.

RANDY S. HOWARD, General Manager

ANDY BRADFELD, President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel

EXHIBIT A SCOPE OF SERVICES

SUMMARY OF SCOPE OF WORK

Compliance Services, Inc. ("Contractor") shall provide pipeline services as requested by the Northern California Power Agency ("Agency") at an Facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

Services to include, but not be limited to the following:

- Written Programs & Support
- Web-based Management Systems & Online Training
- Geographic Information Systems (GIS) Mapping and Analysis
- Audits
- Pipeline Field & Management Services
- Jurisdictional Analysis

- Pipeline Hazardous Materials Safety Administration (PHMSA):
 - Ongoing operations and maintenance field activities
 - Ongoing operations and maintenance compliance activities
 - Ongoing demonstration of operator qualification (OQ) compliance
 - Ongoing integrity management program field activities
 - Ongoing integrity management compliance
 - Ongoing integrity management action items

- PHMSA Operations and Maintenance Field Activities:
 - Complete PHMSA gas pipeline operations and maintenance (O&M) tasks field activities as identified in Exhibit A-1 shown below.
 - Contractor shall complete all O&M gas pipeline tasks in a timely manner in accordance with DOT pipeline regulations, company O&M procedures, company pipeline emergency plan procedures, pipeline operator qualification procedures, and all appropriate industry standards.
 - Contractor shall develop pipeline O&M procedures as required by 49 CFR 192.
 - Contractor will be available and take the lead during PHMSA pipeline O&M audits when they occur. And the company must be able to provide all required procedures and records as required by 49 CFR 192.
 - Contractor shall make all required PHMSA documentation available for viewing to NCPA staff using online database/management system.

****Exhibit A-1 through Exhibit A-6 remain unchanged.****



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Commission Staff Report

July 19, 2017

COMMISSION MEETING DATE: July 27, 2017

SUBJECT: Amendment #1 to Aon Risk Services West Inc. Consulting Services Agreement

AGENDA CATEGORY: Consent

FROM:	Monty Hanks 	METHOD OF SELECTION:
	Assistant General Manager/CFO	N/A
Division:	Administrative Services	<i>If other, please describe:</i>
Department:	Accounting & Finance	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

It is recommended the Commission approve Resolution 17-66. The resolution approves an amendment (Amendment #1) to the Consulting Services Agreement with Aon Risk Services West, Inc.

BACKGROUND:

NCPA engages professional services associated with insurance risk management, risk financing, insurance brokerage, and loss claim advocacy matters. The Agency retains these services in connection with its insurance program which includes property, liability, workers compensation, and directors' and officers' insurance programs, etc.

On June 23, 2016, the Commission approved a 3-year term with an option to extend annually for up to 5 years. Upon the annual review with Aon, staff is recommending the Commission approve the following amendments related to the original agreement:

1. \$25,000 cap to cover any additional claim support in excess of the 30 hours of annual allowance. With the recent insurance related claims (Adit 4 landslide and Beaver Creek Reservoir) and the potential for future claims, it is more cost effective to consider a cap rather than a set number of hours since many of these claims can use up the allotted hours quickly.
2. Adding Global Risk Consultants (GRC) third party inspection services and contract administration to the agreement scope. Given that the agreed carrier allowance can only be utilized to reimburse the actual 3rd party engineering fees up to 2.5% of the premium, in situations where the allowance exceeded the GRC fee, NCPA would not be able get that excess credit/allowance back and would have had an "un-used" engineering allowance in some years and a potential unreimbursed engineering cost in other years where NCPA would have had to pay the excess over the allowance. Aon and staff approached GRC about doing equal fee installments each year, rather than their original proposed fee that varied with the number of inspections to better match the fee with the carrier allowance, versus the level of inspections.
3. Exhibit D was amended to add the following provision. Aon Standard Business Terms did not have the updated industry standard disclosure regarding the potential for Surplus Lines and other related taxes that might be applicable should NCPA choose to place policies with Lloyd's and other non-US domiciled insurers. Staff recommends including this provision to provide additional insurance options that may or may not be available in the admitted marketplace.

FISCAL IMPACT:

NCPA's insurance program premiums and brokerage fees are budgeted as part of the aggregate Property, Liability, and Workers Compensation insurance cap estimates, which are charged off proportionately at approximately 80% for Property Insurance and 20% for Liability Insurance based on total premiums paid. The fees and premiums in total are then allocated to projects based on insured values at each plant site, with the liability insurance charged to Administrative & General costs. The proposed cap of \$25,000 does not have an immediate impact unless there are more insurance claims for Aon to administer. For the GRC inspection services, there is a \$5,000 fee to administer this program which is

already included in the FY2017-18. No additional budget request is needed to approve these amendments.

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,

A handwritten signature in black ink, appearing to read "Randy S. Howard" followed by a stylized flourish.

RANDY S. HOWARD
General Manager

Attachments:

Consulting Services Agreement Amendment #1 with Aon Risk Services West, Inc.
Resolution 17-66

Date: June 23, 2017

Re: Consulting Services Agreement Amendment #1

This first amendment between The Northern California Power Agency ("You" or "Your" or "Agency") and Aon Risk Services West, Inc. ("ARS" or "Consultant" or "Us" or "We" or "Our") ("Amendment") is made a part of the Consulting Services Agreement dated July 1, 2016 ("Agreement"). Capitalized items not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

For good and valuable consideration the sufficiency of which is acknowledged by the parties hereto, Agency and ARS agree as follows:

- Section 10.8 of the Agreement regarding written notice to Agency is updated to reflect Agency's new General Counsel as follows:

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

- For the Scope of Services in Exhibit A, 4. Claim Assistance (A) of the Agreement, ARS will provide additional claim assistance through the full resolution of the following two (2) claims and future potential property claims of a similar nature, if any, during the term of the Agreement including the two one-year option periods through June 30, 2021, for a one-time fee not to exceed twenty-five thousand dollars (\$25,000), payable to ARS 30 days after the execution date of this Amendment upon receipt of invoice from Aon:
 - Collierville Power Tunnel Adit 4 landslide Claim
 - Beaver Creek Reservoir and Diversion Facility Storm Damage from January 2017
- For the Scope of Services in Exhibit A, Agency desires ARS to subcontract with Global Risk Consultants "GRC" to provide Agency with various third-party property inspection and risk control engineering services for the term of July 1, 2017 through June 30, 2021 for a total fee not to exceed one hundred sixty thousand five hundred dollars (\$160,500). GRC will invoice ARS directly for said services in equal biannual installments of \$20,062.50 during the GRC service term. Aon will invoice the Agency for the net difference between the respective invoices and the maximum allowable engineering fee allowance, which is 2.5% of the paid premium on property policies. As compensation for providing the administration of this subcontract, Agency agrees to pay ARS a \$5,000 service fee payable July 30, 2017.
- Exhibit D, Consultant Business Terms is amended to add the following provision as follows:

Surplus Lines and Other Government Taxes

Insurance may not be available in the admitted marketplace for the terms and conditions specified by the Agency. In such event, ARS' insurance proposal may include one or more insurers not licensed to transact insurance in the states of exposure and such coverage may be placed as surplus lines coverage pursuant to applicable insurance laws governing the placement of insurance with non-admitted insurers. Persons and entities insured by surplus lines insurers cannot avail themselves of the protection and recovery afforded by the state insurance guaranty funds in the event the surplus lines insurer should become insolvent. The states do not audit the finances or review the solvency of surplus lines insurers.

In some instances, these insurance placements made by ARS or its affiliates on the Agency's behalf may require the payment of state surplus lines, excise or other taxes and/or fees in



addition to the premium itself. ARS will endeavor to identify any such tax and/or fee in advance, but in all instances the payment of these taxes and/or fees will remain the responsibility of the Agency. ARS will invoice the Agency for the payment of such taxes and fees where it is ARS's responsibility to do so.

Any surplus lines of insurance obtained on behalf of Agency must be approved in advance by both the Agency's Chief Financial Officer and General Counsel.

All other terms and conditions of the Agreement remain unchanged.

In Witness Whereof, the parties have executed this Amendment effective on the last date written below.

Accepted and Agreed:

Aon Risk Services West, Inc.

By: _____
Derek Whipple, Managing Director

Date: _____

Northern California Power Agency

By: _____
Randy S. Howard, General
Manager

Date: _____

Attest:

By: _____
Assistant Secretary of the Commission

Approved as to Form:

By: _____
Jane E. Luckhardt, General Counsel

RESOLUTION 17-66

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVAL OF AMENDMENT #1 TO AON RISK SERVICES WEST, INC. CONSULTING SERVICES AGREEMENT

(reference Staff Report #185:17)

WHEREAS, the Northern California Power Agency (the Agency) is required by various of its contracts and agreements with its members and its generating and transmission project participants to provide for property, casualty and other insurance to protect its interests therein; and

WHEREAS, to accomplish this the Agency requires professional services associated with risk management, risk financing, insurance brokerage, and claims adjustment matters in connection with its property, liability, workers compensation insurance programs and related surety and performance bonds; and

WHEREAS, the Agency upon its annual review of the agreement add the following provisions:

1. \$25,000 cap to cover any additional claim support in excess of the 30 hours of annual allowance;
2. Add Global Risk Consultants (GRC) third party inspection services and contract administration to the agreement scope;
3. Amend Exhibit D to include industry standard disclosure regarding the potential for Surplus Lines and other related taxes; and

WHEREAS, the fiscal year Annual Budget for 2018 has contemplated and included the necessary funds to provide for these services; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency adopts the first amendment to the consulting services agreement adding a \$25,000 cap to cover any additional claim support, adding GRC third party inspection services and contract administration, and amending Exhibit D to include industry standard disclosure regarding the Surplus Lines and other related taxes.

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	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

GARY PLASS
VICE-CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



17

Commission Staff Report

July 17, 2017

COMMISSION MEETING DATE: July 27, 2017

SUBJECT: Delegate to the General Manager authority to enter into one or more agreements, with a total not to exceed for all agreements of \$2,500,000 for repair, restoration and/or replacement of portions of the Beaver Creek Reservoir and related facilities at the NCPA Hydroelectric Project.

AGENDA CATEGORY: Discussion/Action

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

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

Authorize the General Manager to enter into one or more agreements, with a total not to exceed for all agreements of \$2,500,000 for repair, restoration and/or replacement of portions of the Beaver Creek Reservoir and related facilities at the NCPA Hydroelectric Project.

BACKGROUND:

Beaver Creek Diversion Dam is part of the North Fork Stanislaus River Hydroelectric Project, FERC Project No. 2409, which consists of a system of four reservoirs, two hydroelectric power plants, two diversion tunnels, and one power tunnel. The purpose of Beaver Creek Diversion Dam ("Dam") is to provide for the diversion of water to McKays Point Reservoir and the Collierville powerhouse via a forebay for the Beaver Creek Diversion Tunnel and Penstock. The Beaver Creek Reservoir ("Reservoir") itself serves to provide reliable regulation of penstock flows and minimum fish flow releases, as required by one or more regulatory agencies, as well as serving as a sediment trap to protect the fish screen from frequent plugging. The Dam also provides water for power generation and water consumption purposes.

The January and February 2017 unusually heavy storms and related flooding nearly completely filled the Reservoir and plugged the diversion fish screen and the Dam's low-level outlet preventing water diversion into McKays. The level of reservoir sedimentation and debris left by the 2017 storms is approximately 11,400 cubic yards as determined by a reservoir survey conducted on May 1st. Annual average hydroelectric income attributable to the Dam and related facilities is approximately \$1,700,000. Immediate clearing of the fish screen, the low-level outlet, and a portion of the Reservoir basin is required to restore the functionality of the Dam and to re-establish the ability to reliably generate hydropower with available water supplies.

On May 25, 2017, the NCPA Commission approved Resolution 17-44, authorizing the General Manager to enter into one or more agreements, with a total not to exceed for all agreements of \$1,000,000 for repair, restoration and/or replacement of portions of the Beaver Creek Reservoir and related facilities at the NCPA Hydroelectric Project. At the current time, contracts have been released and work commenced to:

- Remove dead hazard trees and clear vegetation from the construction access road;
- Clear the concrete top deck of the Beaver Creek facility of sediment and debris;
- Utilize divers to suction dredge sediment and debris away from the fishscreen trashrack and low level outlet to allow for reservoir dewatering.

The primary remaining task (representing the largest portion of project costs) is to release a contract for mechanical excavation "in-the-dry" and off-haul trucking to a permanent disposal location.

Subsequent to the approval of Resolution 17-44, several developments have led to an anticipated potential increase in total project costs, including:

- There is more sediment and debris in the facility than anticipated. Resolution 17-44 anticipated 20 – 30% of reservoir capacity remaining. Current estimates indicate potentially less than 13% reservoir capacity remaining.

- US Forest Service denial of a request to stockpile the material on USFS land and/or to use a portion of the sediments for beneficial use on USFS land. Now all material is anticipated to be trucked substantially further than originally hoped.
- The three (3) bids for underwater suction dredging were more costly than anticipated, and in addition, the suction dredging work has been less efficient than originally anticipated due to the presence of substantial quantities of vegetation debris, which plugs the suction pumps.
- There is the possibility that resource agency permits and approvals may be able to be expanded to allow for removal of accumulated sediment in excess of the material which accumulated just during the January and February 2017 storms.

Based on these developments, and to take advantage of the possibility of leveraging mobilization and permitting efforts to more completely restore the reservoir condition and facility functionality, it is recommended that General Manager authority for this project be increased from \$1,000,000 to \$2,500,000.

ENVIRONMENTAL ANALYSIS:

CEQA Guidelines section 15269 states that a project is exempt from CEQA review when the project is to “repair, restore, ... or replace property or facilities damaged or destroyed as a result of a disaster in a disaster stricken area in which a state of emergency has been proclaimed by the Governor...” Also exempt are: “specific actions necessary to prevent or mitigate an emergency.”

The Dam was rendered completely inoperable due to the 2017 storms. The Dam and Reservoir are each located in counties declared to be disaster-stricken by both the Governor and the federal government. Without the Project, NCPA may not be able to meet the various regulatory environmental requirements relating to stream flows and other matters dependent on proper operation of the Dam and Reservoir. While the emergency classification exempts the Project from CEQA, all other environmental permit requirements remain in force with agency-specific emergency provisions with which NCPA must comply.

Staff initiated consultation with the below listed agencies with jurisdiction over the proposed action, and has obtained the necessary permits:

- United States Army Corps of Engineers (ACOE)
- California Department of Fish and Wildlife (CDFW)
- Regional Water Quality Control Board (RWQCB)
- State Water Quality Control Board (SWQCB)
- United States Fish and Wildlife (USFWS)
- Federal Environmental Protection Agency (EPA)
- State Office of Historical Preservation (SHPO)
- United States Forest Service (USFS)
- California Division of Safety of Dams (DSOD)
- Federal Energy Regulatory Commission (FERC)
- Sierra Pacific Industries (SPI)

FISCAL IMPACT:

Annual average hydroelectric generation attributable to the Beaver Creek Dam is approximately \$1,700,000.

The Project is currently estimated to cost less than \$2,500,000. As of May, 2017, the costs were estimated at \$1,000,000; however, Staff Report 159:17 noted that *"If the projected Project costs increase as the work proceeds, staff will return to the Commission for additional authorizations as may be necessary."*

In February 2017, the NCPA Commission passed Resolution 17-16 finding and declaring a state of emergency with respect to the NCPA Calaveras Hydroelectric Generation Project and authorizing the General Manager to take such steps as necessary to obtain funds to maintain, repair, restore, or replace the project. Staff has notified the Federal Emergency Management Agency (FEMA) and NCPA's insurance broker of the 2017 loss. In a letter dated June 13, 2017 NCPA's Insurance Underwriters indicated that coverage is afforded for damages to the dam structure, tunnel, penstock, and associated equipment at the Beaver Creek Diversion dam, but that no coverage is afforded for land including the upstream creek which has built up sediment. Discussions are ongoing with the Insurance Underwriters to further clarify the extent of coverage specifically for this project. NCPA's insurance deductible is \$500,000. In similar Beaver Creek storm-related sedimentation historical losses, NCPA received FEMA reimbursements due to the 2006 flood incident, but not due to the 1997 incident. FEMA requires that the applicant demonstrates that it first pursued insurance reimbursement prior to FEMA providing funding. FEMA reimbursement looks favorable for a substantial part of the non-insurance project costs.

To date, \$550,000 has been collected for Beaver Creek Sediment removal as part of ongoing Hydroelectric Project Capital Development Reserve funding. An additional \$125,000 is proposed for collection as part of the FY18 budget, resulting in a total of \$675,000 available after July 1, 2017. Remaining needed funds are proposed to be drawn from the McKays Cleanout Capital Development Reserve Account and/or the Hydroelectric Project Maintenance Reserve Account. Both funds can be refunded by FEMA or insurance reimbursements if they ultimately materialize.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on July 5, 2017 and was recommended for Commission approval.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution

RESOLUTION 17-64

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY DELEGATING TO THE GENERAL MANAGER AUTHORITY TO ENTER INTO ONE OR MORE AGREEMENTS NOT TO EXCEED \$2,500,000 FOR REPAIR, RESTORATION, AND/OR REPLACEMENT OF PORTIONS OF THE BEAVER CREEK RESERVOIR AND RELATED FACILITIES AT THE NCPA HYDROELECTRIC PROJECT

(reference Staff Report #184:17)

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains the Beaver Creek Reservoir and related facilities on behalf of the project participants in the North Fork Stanislaus River Hydroelectric Development Project; and

WHEREAS, the Hydroelectric Facility's Beaver Creek Reservoir has received debilitating volumes of sediments and debris during the January and February 2017 unusually heavy storms; and

WHEREAS, the Beaver Creek Reservoir is currently inoperable, and requires immediate sediment removal and related work to ensure its safe and environmentally compliant operation, to re-establish the functionality of the Reservoir and related facilities, and to have the ability to reliably generate hydropower with available water supplies; and

WHEREAS, water diversion from Beaver Creek Reservoir provides critical and substantial generation volumes and capacity; and

WHEREAS, the Commission on February 23, 2017, declared an Emergency for all January 2017 storm related damages; and

WHEREAS, the Commission on May 25, 2017, delegated to the General Manager authority up to \$1,000,000 for repair, restoration, and/or replacement of portions of the Beaver Creek Reservoir and Related facilities; and

WHEREAS, additional significant work needs to be performed for the repair, restoration and/or replacement of portions of the Reservoir and related facilities; and

WHEREAS, additional funds are required to completely restore the reservoir condition and facility functionality; and

WHEREAS, this Project is exempt from CEQA under Regulation 15269 relating to emergencies; and

WHEREAS, the Commission finds that immediate action is required to mitigate the impairment of essential public services; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager to enter into one or more agreements, with a total not to exceed for all agreements of \$2,500,000 for repair, restoration and/or replacement of portions of the Beaver Creek Reservoir and related facilities at the NCPA Hydroelectric Project.

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	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

GARY PLASS
COMMISSION VICE-CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

RESOLUTION NO. 17-65

**RESOLUTION OF THE COMMISSION OF THE
NORTHERN CALIFORNIA POWER AGENCY**

In Commendation Of

GARY PLASS

WHEREAS, Gary Plass served the “beautiful” City of Healdsburg for 28 years as a police officer and 13 years as a member of the City Council; and

WHEREAS, during his 13 year tenure as a NCPA Commissioner, Gary served in numerous leadership positions including Chair of the Commission, Officer of the Executive Committee, Chair of the Legislative and Regulatory Affairs Committee, and Chair of the Finance Committee; and

WHEREAS, under his chairmanship, NCPA constructed and brought online the Lodi Energy Center, a 300 MW gas-fired, combined-cycle system that was one of the first in the nation to take advantage of “fast-start” technology to reduce emissions; and

WHEREAS, Gary led the successful efforts to update and revise NCPA’s Bylaws and new member policies, and was an instrumental member of the executive search team that ushered in NCPA’s distinguished general manager; and

WHEREAS, Gary understood the value of public power, joint action and local control, he was a strong and tireless advocate on Capitol Hill and in the State Capitol on behalf of NCPA and his constituents; and

WHEREAS, Gary played a key role in the debate on the sale of NCPA’s drill rig, a debate he lost, but still considers to be an ongoing active Commission item; and

WHEREAS, Gary, hailing from Sonoma County, the alleged “wine capitol of California,” has voluntarily served as NCPA’s in-house sommelier; and

WHEREAS, Gary has been a generous supplier of highly prized promotional items (including high quality pens and sewing kits) to NCPA 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 recognize and commend Gary Plass for his dedication and service to the public power community and to NCPA.

BE IT FURTHER RESOLVED that the Northern California Power Agency Commission deeply appreciates and thanks Gary Plass for his leadership and numerous contributions to the Agency—including serving as a strong and effective policy advocate in many important state and federal debates; his loyal commitment to the cause of public power and the citizens of the “beautiful” City of Healdsburg; and his unflagging friendship to members and staff of NCPA, and wish him all the very best in his future endeavors.

PASSED AND ADOPTED BY ACCLAMATION, on this 27th day of July 2017.

BOB LINGL
CHAIR

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY

