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Minutes - DRAFT

To: NCPA Commission
From: Cary A. Padgett, Assistant Secretary to the Commission
Subject: August 24, 2017, NCPA Commission Meeting / Teleconference

Item #1 – Call Meeting to Order and Introductions

Chair Bob Lingl called the meeting to order at 9:40 am at NCPA's Roseville Office, 651 Commerce Drive, Roseville, California. A quorum was present. Introductions were made. Those in attendance are shown on the attached attendance list. No participants attended via teleconference.

Item #2 – Approve Minutes of the July 27, 2017, Regular Commission Meeting

Motion: A motion was made by Basil Wong and seconded by Roger Frith to approve the Minutes of the July 27, 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.
- Continuing with member visits. Met with the cities of Biggs and Gridley, and scheduled to meet with Redding and Shasta Lake next week. Next year's member road show will include General Counsel and the Assistant General Managers.
- The new cap-and-trade legislation will save the members roughly \$400m. Thanked the L&R Team for their efforts.
- CVP Corporation Exhibit C program participants have seen a saving of over \$500m.
- Provided a brief Legislative & Regulatory issues update.
- NCPA staff is participating in a "Walking for Wellness" program during September. The challenge is to track how many walking steps you take a day during the month. The employee with the most steps will receive a Fitbit®.

- Gave an update on the Annual Conference Program.
- Frontline Leadership class is full. Administrative Professionals one-day class has been scheduled for September 19.
- Meetings are going well with PG&E regarding the natural gas cost.
- Met with Butte County CCA – could have an interest in NCPA services.
- Meetings are going well with Placer County Water Agency and Merced Irrigation District.

Item #4 – Executive Committee

Committee Chair Bob Lingl reported that the Committee met once since the last Commission meeting. The Committee heard reports from the General Manager and General Counsel, and discussed New Hometown Connections membership.

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 15-20 on today’s Agenda. The Committee recommended Commission approval of all items. The Committee also discussed revenue allocation policy, the gas pipeline contracts and the methodology used for allocating hydro shares.

Item #6 – Finance Committee

Committee Chair Madeline Deaton reported that the Committee met once since the last Commission meeting. The Committee met and discussed items 12 and 13 on today’s Agenda. The Committee recommended Commission approval of both items. The Committee also discussed the creation of a Finance Committee Charter, selection of a Financial Advisor firm, and heard an update on the fiscal year 2017 audit. The next Committee meeting is on November 8.

Item #7 – Legal Committee

General Counsel Jane Luckhardt reported that the Committee met once since the last Commission meeting. The Committee discussed creating an Ad Hoc Committee to review CVPIA filings, and discussed closed session item 22 on today’s Agenda. No reportable action was taken on that item.

Item #8 – Legislative & Regulatory Affairs Committee

Committee Chair Teresa O’Neill reported the Committee did not meet. Gave an update on legislative developments and provided a brief overview of the NCPA Annual Conference program and events taking place on September 27-29 at the Silverado Resort in Napa. Annual Conference registration closes September 1. The next Committee meeting is scheduled on September 27 at the Silverado Resort in Napa.

Item #9 – Members’ Announcements & Meeting Reporting

Basil Wong, **Port of Oakland**, announced that he accepted the position of Utility Manager for the Port of Oakland and thanked everyone for their support.

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. Consent item 14 was pulled for discussion.

Motion: A motion was made by Mark Chandler and seconded by Teresa O'Neill to approve the Consent Calendar consisting of Items 10, 11, 12, 13, 15, 16, 17, 18, 19, and 20. The motion carried by a majority of those members present on a roll call vote with the abstentions noted below for each item.

BART and Shasta Lake were absent.

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

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

Item #12 – Debt and Interest Rate Management Report June 30, 2017 – accept by all members.

Fiscal Impact: The total projected savings over the life of the interest rate swaps was \$13.9 million at the inception of these agreements. Total projected savings through June 30, 2017 was \$5.3 million with actual results at \$9.1 million. The difference between expected savings and actual savings is due to "basis risk", or the difference between what NCPA pays on the variable rate bonds and the index rate used in the swap transaction. Total basis risk to date is positive, resulting in additional savings over those expected of \$3.8 million. Staff continues to monitor the potential for refinancing these bonds and terminating the swaps, however, with rates still near historical lows, this is causing a large mark-to-market payment due to Citibank, N.A. of over \$15.2 million (net) making a potential refund not a feasible option at this time.

Item #13 – Resolution 17-73, Appointment of Finance Committee Members – adopt resolution by all members ratifying the appointment of David Hagele, Council Member for the City of Healdsburg, as a member and Chairperson of the Finance Committee.

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

Item #15 – Resolution 17-67, Approval of CY 2018 Capacity Pool Rates – adopt resolution by all members approving the Local Area and System Resource Adequacy capacity rates proposed herein for use in the NCPA Capacity Pool, as described in Pooling Schedule 4 of the Second Amended and Restated Pooling Agreement, during the 2018 Resource Adequacy compliance year.

Fiscal Impact: Work associated with development of the NCPA Capacity Pool Local Area and System Resource Adequacy capacity rates has been undertaken pursuant to approved Power Management budget categories, and costs associated with this effort are allocated in accordance with approved cost allocation methodologies as described in the NCPA annual budget.

Truckee Donner PUD abstained.

Item #16 – Resolution 17-68, Approval of Amendment to the Facilities Rates Agreement Schedule 2 – adopt resolution by all members approving an amendment to Facilities Schedule 2 of the Amended and Restated Facilities Agreement, to include the Antelope Expansion Phase 1 Solar Facility as a NCPA Project.

Fiscal Impact: Costs associated with development of this amendment are included as part of the NCPA annual budget, and such costs shall be allocated in accordance with the NCPA annual budget.

Truckee Donner PUD abstained.

Item #17 – Resolution 17-69, Kinectrics North America, Inc. – Five Year Multi-Task Professional Services Agreement for generator testing and assessment 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 Professional Services Agreement with Kinectrics North America, Inc., for generator testing and assessment 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 and Redding abstained.

Item #18 – Resolution 17-70, Mechanical Analysis/Repair, Inc., dba Martech – 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 – adopt resolution by all members authorizing the General Manager or his designee to enter into a First Amendment to Multi-Task General Services Agreement with Mechanical Analysis/Repair, Inc., dba Martech, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$550,000 over five years for use at any facilities owned and/or operated by Agency, its Members, SCPPA or SCPPA members.
Fiscal Impact: Total cost of the agreement is not to exceed \$550,000 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 #19 – Resolution 17-71, Summit Crane Company of Solano, Inc., dba Summit Crane – Five Year Multi-Task General Services Agreement for crane 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 Summit Crane Company of Solano, Inc., dba Summit Crane for crane services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.
Fiscal Impact: Upon execution, the total cost of the agreement is not-to-exceed \$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.

Item #20 – Resolution 17-72, The Avogadro Group, LLC – First Amendment to Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA Generation Services Plant Locations, Members, SCPPA, and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a First Amendment to Multi-Task General Services Agreement with The Avogadro Group, LLC, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$250,000 over five years for use at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority (“SCPPA”) or SCPPA Members.
Fiscal Impact: Total cost of the agreement is not-to-exceed \$250,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.
Port of Oakland and Redding abstained.

DISCUSSION/ACTION ITEMS

Item #14 – Resolution 17-74, Review and Approve Amendments to NCPA’s Investment Policy and Guidelines Policy 200-100 – adopt resolution by all members approving the changes to the NCPA Investment Policy No. 200-100 as follows: 1) minor language clean-up; 2) updates to the Permitted Investments attachment; 3) changes to the Investment Fund Objectives attachment; and 4) removal of the Authorized Financial Institutions attachment.

Fiscal Impact: Staff believes with the proposed amendments to the Investment Policy, there is the potential of adding approximately \$500,000 annually of additional interest income and member savings through a reduction of current liquidity (determining what is adequate and matched with current cash flow requirements) and implementing a diversified portfolio of investments.

Assistant General Manager/CFO Monty Hanks gave an update and presentation on the amendments to NCPA’s Investment Policy and Guidelines Policy 200-100.

Motion: A motion was made by Ed Shikada and seconded by Teresa O’Neill to adopt resolution approving the changes to the NCPA Investment Policy No. 200-100 as follows: 1) minor language clean-up; 2) updates to the Permitted Investments attachment; 3) changes to the Investment Fund Objectives; and 4) removal of the Authorized Financial Institutions. The motion carried by a majority on a roll call vote of those members present.

BART and Shasta Lake were absent.

Item #21 – New Hometown Connections, Inc., – The Commission discussed potential Northern California Power Agency membership in a new nonprofit corporation, new Hometown Connections, Inc., that will provide advanced metering systems and data management services to public power entities. The corporation may also provide access to reduced cost vendor services, and public power management and strategic consulting.

General Manager Randy Howard provided a background and presentation on Hometown Connections AMP’s AMI Program. For discussion only. No action required or taken.

CLOSED SESSION

Non essential Members and staff left the meeting for the closed session discussion.

Bob Caracristi and Vicki Cichocki of NCPA joined the meeting for closed session item 22.

Item #22 – Conference with Legal Counsel discussion with asset purchase negotiators pursuant to Government Code Section 54956.8: the potential purchase of Hometown Connections, Inc., including their existing lease and other assets located at 12081 W. Alameda Parkway, #464, Lakewood, CO 80228. The asset purchase negotiators will be Randy Howard and Bob Caracristi. NCPA’s negotiators will negotiate with Alabama Municipal Electric Authority, Public Power Inc. and American Public Power Association. Commission instruction to the negotiators may include both price and terms of payment.

Bob Caracristi and Vicki Cichocki of NCPA left the meeting.

Item #23 – Conference with Legal Counsel existing litigation pursuant to California Government Code Section 54956.9(d)(1): Three cases:

- a) Northern California Power Agency as a member of the Northern California Generation Coalition, *Northern California Generation Coalition Petition for Modification of Decision 16-06-056*, California Public Utilities Commission Application 13-12-012 & Investigation 14-06-016 (filed June 23, 2017).

- b) Northern California Power Agency as a member of the Northern California Generation Coalition, *Application of Dynegy Inc. and the Northern California Generation Coalition for Rehearing of Decision 16-06-056*, California Public Utilities Commission Application 13-12-012 & Investigation 14-06-016 (filed August 1, 2016).
- c) *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 no reportable action was taken on closed session items 22, 23a, 23b, and 23c.

NEW BUSINESS

Chair Lingl recognized those that have an August birthday.

ADJOURNMENT

The August 24, 2017, Commission meeting was adjourned at 12:05 pm.

Respectfully submitted,

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CARY A. PADGETT

Assistant Secretary to the Commission

Attachments

**Northern California Power Agency
 Commission Meeting of August 24, 2017
 COMMISSIONER
 Attendance List**

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

MEMBER	NAME
ALAMEDA	<i>Maddie C. Pearson</i>
BIGGS	<i>Ryan J. [Signature]</i>
GRIDLEY	<i>[Signature]</i>
HEALDSBURG	<i>[Signature]</i>
LODI	<i>Mark Chandler</i>
LOMPOC	<i>[Signature]</i>
PALO ALTO	<i>[Signature]</i>
PORT OF OAKLAND	<i>Basil Wong</i>
PLUMAS-SIERRA REC	<i>Michael Brog</i>
REDDING	<i>DIR</i>
ROSEVILLE	<i>Bonnie Gore</i>
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT (BART)	
SANTA CLARA	<i>Teresa O'Neill</i>
SHASTA LAKE	
TRUCKEE DONNER	<i>Stephen Hollibaugh</i>
UKIAH	<i>Mel. Soudi</i>



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: 8/24/17

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

Consent Items Removed from the Agenda and Approved Separately:

14

ROLL-CALL VOTE BY MEMBERS: LODI ISVP

Member	Item Numbers Abstained	Vote	Absent
Alameda		Y	
BART			X
Biggs		Y	
Gridley		Y	
Healdsburg		Y	
Lodi		Y	
Lompoc		Y	
Palo Alto		Y	
Port of Oakland	17 18 20	Y	
Redding	17 18 20	Y	
Roseville		Y	
Santa Clara		Y	
Shasta Lake			X
Truckee Donner	15 and 16	Y	
Ukiah		Y	
Plumas-Sierra		Y	

ATTEST:

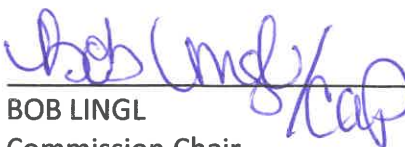
Cary A. Padgett
 Cary A. Padgett
 Assistant Secretary to the Commission

**Northern California Power Agency
ROLL CALL VOTE**

Topic: item 14

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

Passed and adopted this 24th day of August 2017, by the above vote on roll call.



 BOB LINGL
 Commission Chair

ATTEST: 

 CARY A. PADGETT
 Assistant Secretary



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Commission Staff Report

AGENDA ITEM NO.: 5

Date: September 21, 2017
To: NCPA Commission
Subject: September 6, 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: Carrie Pollo
Subject: September 6, 2017, Facilities Committee Meeting Minutes

- 1. Call Meeting to Order & Roll Call** - The meeting was called to order by Committee Chair Melissa Price at 9:05am. 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), Basil Wong (Port of Oakland), Steve Hance (Santa Clara), and Willie Manuel (Turlock). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve Minutes from August 2, 2017 Facilities Committee Meeting** – A motion was made by Shannon McCann and seconded by Mike Brozo recommending approval of the meeting minutes for the August 2, 2017 Facilities Committee Meeting. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Plumas-Sierra, and Roseville. The motion passed.
- 3. All Generation Services Facilities, Members, SCPPA – Ethos Energy Power Plant Services, LLC Multi-Task General Services Agreement** – Staff recommended Commission approval of a five year Multi-Task General Services Agreement with Ethos Energy Power Plant Services, LLC, with a not to exceed amount of \$1,500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. Ethos Energy Power Plant Services provides various inspections, maintenance, parts, refurbishments services, and materials and supplies for the gas, steam, and hydro turbines. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. 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 five year Multi-Task General Services Agreement with Ethos Energy Power Plant Services, LLC, with a not to exceed amount of \$1,500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and 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.

7. **P-Site Well Deformation Discussion** – Staff gave an update on the Geothermal steam field, and the ongoing P-site well deformation. All wells at the P-site are migrating downhill, with P-4 and P-7 the most concerning. NCPA plans to monitor these wells, and will develop plans to repair, if the flow becomes inhibited. All the wells at the Geothermal site were built in 1987, so they are 30 years old now. None of them have ever had a workover. Four other injection wells are damaged, and have been out of service since 2014. A workover costs between \$2 to \$6 million and are problematic. Drilling a new “SLR” well is \$1 to \$2 million. The maintenance reserve at the NCPA Geothermal Plant has \$6.2 million to cover drilling and overhauls in FY2019.

8. **HQ Perimeter Security Fence and Gates Project** – Staff recommended Commission approval authorizing the General Manager to execute a contract with FenceCorp Inc. and issue purchase orders associated with the headquarters perimeter security fence and gates project for a total cost not-to-exceed \$401,648. Staff’s initial Project cost estimate in 2015 was \$285,000. The cost of the Project is now estimated to be \$386,648, which includes expected expenses at \$32,710, and the sum of \$30,471 expended to date for review by the City of Roseville, design and engineering costs, and related printing and title expenses. Based on the results of the formal bidding process, which included two rounds of public bidding and subsequent negotiations, the Project cost includes the cost for the fence construction of \$323,467, electrical work, landscaping alterations, permitting, and additional engineering work. Staff recommends adding a contingency of approximately 4% for the remaining work in the amount of \$15,000, bringing the Project cost to a total not-to-exceed amount of \$401,648.

Motion: A motion was made by Mike Brozo, and seconded by Shannon McCann recommending Commission approval authorizing the General Manager to execute a contract with FenceCorp Inc. and issue purchase orders associated with the headquarters perimeter security fence and gates project for a total cost not-to-exceed \$401,648. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

9. **Extension to Natural Gas Pipeline Transport Contracts** – Staff recommended extending certain NGPT contracts to extend NCPA’s pipeline transport volume rights on the NOVA and Foothills transportation systems for five (5) years through October 31, 2023.

Staff reviewed the historical data of the natural gas pipeline contracts from AECO to PG&E Citygate. The United States segments, GTN and CTG, are under a 30 year contract through October 31, 2023. The Canadian segments, NOVA and Foothills, are on a year-to-year basis, currently effective through October 31, 2018. It is more cost effective to renew the Canadian contracts for 5 years, instead of a year-to-year basis. The estimated savings over 5 years by doing this would be \$72,500.00. In order to do this, a request for an extension must be submitted by October 31, 2017.

Motion: A motion was made by Shannon McCann, and seconded by Jiayo Chiang recommending Commission approval and authorization for NCPA to extend the natural gas pipeline transportation contracts to maintain NCPA’s natural gas pipeline transport volume rights on the NOVA and Foothills transportation system for five (5) years through October 31, 2023. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Plumas-Sierra, and Roseville. The motion passed.

- NCPA is actively participating in the CAISO TAC Review stakeholder initiative. The initiative is focused on reviewing the current method for allocating transmission costs in the CAISO. A number of alternatives are being considered, including incorporating a demand based component as an allocation variable.
- The Lodi CT has been running more than ever this calendar year due to the hot weather conditions and localized transmission issues. The CAISO has dispatched the unit for 186 hours to date, which based on the current air permits only leaves 14 run hours left for the balance of 2017. The unit can run above 200 hours in 2017, but only in the event the unit is dispatched by the CAISO in response to a system emergency.
- NCPA, on behalf of LEC, has established an agreement with PG&E to adopt a LEC specific natural gas transportation rate. This new rate will help improve the dispatchability of the project going forward.
- NCPA has responded to a request for offers issued by the CAISO, in which CAISO is requesting bids to supply Black Start capacity in the greater bay area. NCPA has offered to provide such service from the Alameda CT project, pending certain upgrades that would be required to enable the units to provide the service.

13. Schedule Next Meeting Date – The next regular Facilities Committee Meeting is scheduled for October 4, 2017.

ADJOURNMENT

The meeting was adjourned at 12:08 pm.



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Commission Staff Report

AGENDA ITEM NO.: 8

Date: September 22, 2017

To: NCPA Commission

Subject: August 23, 2017, Legislative & Regulatory Affairs Committee Meeting Minutes

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



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Minutes

Date: August 28, 2017
To: NCPA Legislative & Regulatory Affairs Committee
From: Tracy Kves, Legislative and Regulatory Program Assistant
Subject: August 23, 2017 Legislative & Regulatory Affairs Committee Meeting Minutes

Item #1 – Opening Remarks & Introductions

Chair Teresa O’Neill, Council Member, City of Santa Clara, called the meeting to order at 12:03 pm, followed by introductions of all in attendance. Those in attendance are shown on the attached attendance list. Participating via teleconference were Patrick Keener, City of Redding; Jim Stack, City of Palo Alto; Elizabeth Kirkley, Lodi Electric; Madeline Deaton and Nicolas Procos, Alameda Municipal Power; Corby Irwin, Plumas-Sierra REC; Mel Grandi, City of Ukiah; Mark Sorenson, City of Biggs; and Terry Crowley, City of Healdsburg.

PUBLIC FORUM

No members of the public were present.

Item #2 – Approval of Minutes

Motion: A motion was made by Roger Frith, City of Biggs, and seconded by Bonnie Gore, City of Roseville, to approve the minutes from the April 19, 2017 regular meeting. All were in favor. The motion passed unanimously.

Item #3 – State Legislative Report

Mario De Bernardo, State Government Relations Manager, and Gregg Cook, Government Affairs Consulting, reviewed state legislative timelines and deadlines in the final weeks of the legislative session. Mr. De Bernardo and Mr. Cook also reviewed key state legislative issues including SB 100 (de Leon), grid regionalization, small cell permitting, net-load peak energy planning, and electric vehicle incentives.

Mr. De Bernardo and Mr. Cook provided background and analysis on SB 100 (de Leon), including amendments that NCPA was successful in securing in July, as well as amendments NCPA is continuing to pursue in the final weeks of session.

Mr. De Bernardo and Mr. Cook provided background and analysis on a potential grid regionalization bill supported by the Governor. NCPA's reactions to the bill include concerns related to process, uncertainty with the new federal administration, transmission access charge, stranded investment, grid reliability, effects on state environmental goals, investments in the ISO, and that the Legislature must have the final say.

As well, Mr. De Bernardo and Mr. Cook provided background and legislative strategy on bills regarding small cell permit streaming (AB 649, Hueso); net-load peak energy (SB 338, Skinner); and electric vehicles (AB 1184, Ting).

Item #4 – Regulatory Affairs Update

Scott Tomashefsky, Regulatory Affairs Manager, began his update by recapping how the California grid performed during the August 21 solar eclipse. This was followed by a detailed review of the cap-and-trade regulations that were approved in late July by the California Air Resources Board (CARB). Mr. Tomashefsky explained that, under the new regulations, NCPA members will receive a direct allocation of nearly 17 million GHG allowances between 2021 and 2030, amounting to more than \$400 million for NCPA members during that timeframe. Also discussed were the latest developments regarding CARB's next Scoping Plan and the agency's RPS enforcement provisions.

Mr. Tomashefsky also gave an update on issues at the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) including: 1) the CEC's Integrated Energy Policy Report and Integrated Resource Plan activities, its data collection and power source disclosure rulemakings, as well as; 2) the CPUC's physical security and pole database proceedings.

He also mentioned that the Federal Energy Regulatory Commission (FERC) now has a quorum, re-established with the confirmation of Neil Chatterjee and Rob Powelson as Commissioners. Chatterjee is currently Acting Chairman and is confirmed to speak at NCPA's upcoming Annual Conference. FERC's next Board meeting will take place September 20, 2017.

Lastly, Mr. Tomashefsky gave a brief update regarding developments at the North American Electric Reliability Corporation (NERC). During the update, Randy Howard, NCPA General Manager, mentioned that NCPA is scheduled to undergo a NERC reliability audit during the third quarter of 2018.

Item #5 – Western Area Power Administration

Brent ten Pas, Maury Kruth, and Jerry Toenyas updated the committee on the Western Area Power Administration's 2025 Final Power Marketing Plan. Mr. ten Pas and Mr. Kruth highlighted several positive developments in the Plan as a result of NCPA's advocacy efforts. These included the opportunity for customers to clarify termination language in the new contracts, and that customers will have a one-time opportunity to either reduce their base resource allocation or terminate their new contract no later than six-months before the contracts go into effect. Mr. Toenyas provided an update on the Bureau of Reclamation's (Bureau) Central Valley Project Cost Allocation Study, including efforts to get the Bureau to include the appropriate data in its power assumptions.

Item #6 – Federal Legislative Report

Marty Kanner, President of Kanner and Associates, gave an update on Congress' ambitious agenda for the Fall, including the must pass items; budget, appropriations bills, and raising the debt ceiling. Mr. Kanner also shared how the potential for tax and hydro relicensing reform moving forward plays into the agenda. Mr. Kanner also highlighted the success of NCPA and the public power community in urging Congress to drop the Administration's budget proposal to sell off the Federal Power Marketing Administration's transmission assets.

Item #7 – Member Services Program Update

Jonathan Changus, Member Services Manager & Regulatory Affairs, updated the committee on energy efficiency, energy storage, solar, and transportation electrification issues.

Mr. Changus discussed the CEC's efforts to establish a statewide 2030 Doubling of Energy Efficiency Savings goal, as required by SB 350. He commented that NCPA led the joint POU response to California Energy Commission draft staff papers. Mr. Changus also noted that the Building Benchmarking and Public Disclosure Program (AB 802) July 12th hearing has been postponed indefinitely.

Mr. Changus updated the committee on 2021 Energy Storage Procurement Targets reporting requirements. He discussed that POUs individually file updated energy storage procurement targets with the CEC by October 1. Mr. Changus also discussed Energy Storage in California's Public Power Sector – 2017 report, which is a joint POU filing that will accompany the individual utility AB 2514 filings.

He also reviewed the SB 1 Solar Program Annual Report. He discussed that a compilation of individual POU forms and joint report submitted on June 30 represents the final report required by SB 1.

Mr. Changus also reviewed the Zero Emission Vehicle Investment Plan, Phase 1 (VW Settlement) and the Low Carbon Fuel Standard – 2018 Amendments.

Lastly, Mr. Changus discussed the Shared Services Agreement whereby NCPA members can take advantage of utilizing SCPPA vendors and contracts.

Item #8 – Upcoming Events

Upcoming events include: 1) NCPA Annual Conference, September 27-29, 2017, in Napa at the Silverado Resort; and 2) NCPA Strategic Issues Conference, January 17-19, 2018, in Sacramento at the Embassy Suites, Sacramento.

ADJOURNMENT

The Legislative and Regulatory Affairs Committee meeting moved to adjournment by Chair, Teresa O'Neill, City of Santa Clara, at 4:25 pm. All were in favor.

**Northern California Power Agency
 Legislative & Regulatory Affairs Committee Meeting
 August 23, 2017 - Attendee List**

#	NAME	AFFILIATION
1	Tracy Hves	NCPA
2	Teresa O'Neill	Santa Clara/SUP
3	Jane Cirrione	NCPA
4	SCOTT TOMASHEFSKY	NCPA
5	Brent ten Pas	NCPA
6	Randy Howard	NCPA
7	Chris Romero	Roseville
8	Monty Hanks	NCPA
9	Dave Dochow	NCPA
10	STEPHEN HOLCABAUGH	Truckee Donner PUD
11	Roger Faith	Biggs
12	Basil Wong	Port of Oakland
13	Hechner	POLO AND
14	Kathleen Hughes	SVP
15	Jane Luckhardt	NCPA
16	David Hagelz	Healdsburg
17	Bonnie Gore	Roseville
18	JONATHAN CHANGUS	NCPA
19	Greg Link	NCPA
20	Mario DeBernardo	NCPA
21		
22		
23		
24		




Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: August 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 September 29, 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 August 2017 financial reports are also included.

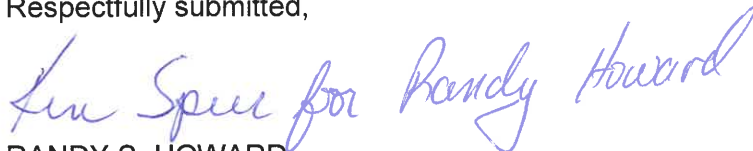
FISCAL IMPACT:

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 August 2017

Operations:

Geothermal	\$ 1,877,557
Hydroelectric	3,693,275
CT#1 Combustion Turbines	238,757
CT#2 STIG	580,753
Lodi Energy Center	4,319,385
NCPA Operating	<u>20,936,452</u>
Total	<u><u>\$ 31,646,179</u></u>

NORTHERN CALIFORNIA POWER AGENCY
 REPORT OF BUDGET VS. ACTUAL COST
 FOR THE PERIOD ENDED AUGUST 31, 2017

PERCENT OF YEAR ELAPSED 17%

	This Month	Actual Year To-Date	FY 2018 Budget	% Used	
GENERATION RESOURCES					
NCPA Plants					
Hydroelectric					
Other Plant Cost	\$ 1,032,231	\$ 2,354,396	\$ 15,603,994	15%	
Debt Service (Net)	3,188,179	6,376,358	38,258,150	17%	
Annual Budget Cost	4,220,410	8,730,754	53,862,144	16%	
Geothermal					
Other Plant Cost	2,193,335	3,962,994	27,184,263	15%	
Debt Service (Net)	411,312	822,624	4,935,743	17%	
Annual Budget Cost	2,604,647	4,785,618	32,120,006	15%	
Combustion Turbine No. 1	428,999	683,599	2,848,552	24%	(a)
Combustion Turbine No. 2 (Stig)					
Fuel and Pipeline Transport Charges	95,724	152,894	834,641	18%	
Other Plant Cost	321,712	444,514	2,095,083	21%	(b)
Debt Service (Net)	474,410	948,820	5,692,922	17%	
Annual Budget Cost	891,846	1,546,228	8,622,646	18%	
Lodi Energy Center					
Fuel	2,098,691	3,591,217	14,877,170	24%	(c)
Other Plant Cost	1,502,700	2,792,467	19,794,554	14%	
Debt Service (Net)	2,201,387	4,402,773	26,416,640	17%	
Annual Budget Cost	5,802,778	10,786,457	61,088,364	18%	
Member Resources - Energy	5,227,401	10,778,094	53,389,034	20%	
Member Resources - Natural Gas	303,260	605,875	3,457,156	18%	
Western Resources	2,332,039	4,661,640	30,119,880	15%	
Market Power Purchases	2,030,385	3,527,372	19,318,025	18%	
Load Aggregation Costs - CAISO	10,024,885	15,204,558	233,822,294	7%	
Net GHG Obligations	175,400	175,400	445,917	39%	(d)
	34,042,050	61,485,595	499,094,018	12%	
TRANSMISSION					
Independent System Operator					
Grid Management Charge	40,613	355,802	2,466,609	14%	
Wheeling Access Charge	8,048,320	16,694,101	96,760,295	17%	
Ancillary Services	198,561	363,353	2,639,380	14%	
Other Charges	-	-	1,058,438	0%	
	8,287,494	17,413,256	102,924,722	17%	

NORTHERN CALIFORNIA POWER AGENCY
 REPORT OF BUDGET VS. ACTUAL COST
 FOR THE PERIOD ENDED AUGUST 31, 2017

PERCENT OF YEAR ELAPSED 17%

	This Month	Actual Year To-Date	FY 2018 Budget	% Used
MANAGEMENT SERVICES				
Legislative & Regulatory				
Legislative Representation	178,598	289,156	1,976,008	15%
Regulatory Representation	76,781	94,166	837,639	11%
Western Representation	47,216	64,095	829,636	8%
Member Services	25,270	51,403	436,078	12%
Judicial Action	29,811	29,811	625,000	5%
Power Management				
System Control & Load Dispatch	426,797	837,128	5,864,452	14%
Forecasting, Planning, Prescheduling & Trading	183,698	350,652	2,647,017	13%
Industry Restructuring & Regulatory Affairs	18,722	45,954	424,174	11%
Contract Admin, Interconnection Svcs & External Affairs	78,056	133,339	1,151,828	12%
Green Power Project	192	367	17,746	2%
Gas Purchase Program	4,815	8,823	88,131	10%
Market Purchase Project	6,874	13,176	130,141	10%
Energy Risk Management	15,470	21,286	206,836	10%
Settlements	47,386	87,327	774,377	11%
Integrated Systems Support	6,800	39,656	318,562	12%
Participant Pass Through Costs	41,161	127,273	1,525,907	8%
Support Services	27,171	29,065	-	N/A
	1,214,818	2,222,677	17,853,532	12%
TOTAL ANNUAL BUDGET COST	43,544,362	81,121,528	619,872,272	13%
LESS: THIRD PARTY REVENUE				
Plant ISO Energy Sales	11,391,776	20,876,345	70,367,243	30% (e)
Load Aggregation Energy Sales	2,111,480	3,944,081	151,018,772	3%
Ancillary Services Sales	111,958	392,427	2,731,442	14%
Western Resource Energy Sales	-	-	18,026,100	N/A
Transmission Sales	9,198	18,396	110,376	17%
Western Credits, Interest and Other Income	733,564	2,411,383	15,712,788	15%
	14,357,976	27,642,632	257,966,721	11%
NET ANNUAL BUDGET COST TO PARTICIPANTS	\$ 29,186,386	\$ 53,478,896	\$ 361,905,551	15%

- (a) Increase in costs due to greater than projected MWhs of generation. CT1 is at 257% of budgeted MWhs at 8/31/17. Fuel costs, CA ISO charges, and other variable costs have all increased as a result of increased generation.
- (b) Increase in costs due to greater than projected MWhs of generation. CT2 is at 253% of budgeted MWhs at 8/31/17. Fuel costs and CA ISO charges have increased as a result of increased generation.
- (c) Increase in costs due to greater than projected MWhs of generation. LEC is at 106% of budgeted MWhs at 8/31/17. Fuel costs and CA ISO charges have increased as a result of increased generation.
- (d) Purchases made several months in advance. Percent of budget used expected to level off throughout the year.
- (e) Variance due to higher than anticipated ISO energy sales for the Lodi Energy Center (LEC), CT1, CT2, and Hydro.

COMBINED STATEMENTS OF NET POSITION

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

UNAUDITED

	August 31,	
	2017	2016
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 41,069	\$ 41,666
Investments	35,156	29,753
Accounts receivable		
Participants	613	550
Other	3,357	822
Interest receivable	172	166
Inventory and supplies	9,791	9,194
Prepaid expenses	855	461
TOTAL CURRENT ASSETS	91,013	82,612
RESTRICTED ASSETS		
Cash and cash equivalents	44,694	38,824
Investments	155,638	150,545
Interest receivable	449	324
TOTAL RESTRICTED ASSETS	200,781	189,693
ELECTRIC PLANT		
Electric plant in service	1,501,926	1,500,854
Less: accumulated depreciation	(947,872)	(917,097)
	554,054	583,757
Construction work-in-progress	821	243
TOTAL ELECTRIC PLANT	554,875	584,000
OTHER ASSETS		
Regulatory assets	234,830	248,418
Other deposits and prepaids	24	44
TOTAL ASSETS	1,081,523	1,104,767
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	46,716	53,003
Pension deferrals	13,506	9,093
TOTAL DEFERRED OUTFLOWS OF RESOURCES	60,222	62,096
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,141,745	\$ 1,166,863

COMBINED STATEMENTS OF NET POSITION

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

UNAUDITED

	August 31,	
	2017	2016
	(in thousands)	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 34,982	\$ 22,985
Member advances	993	993
Operating reserves	20,427	18,978
Current portion of long-term debt	41,870	39,440
Accrued interest payable	6,875	7,307
TOTAL CURRENT LIABILITIES	<u>105,147</u>	<u>89,703</u>
NON-CURRENT LIABILITIES		
Net pension liability	64,589	57,774
Operating reserves and other deposits	141,895	133,675
Interest rate swap liability	15,173	22,261
Long-term debt, net	705,829	747,760
TOTAL NON-CURRENT LIABILITIES	<u>927,486</u>	<u>961,470</u>
TOTAL LIABILITIES	<u>1,032,633</u>	<u>1,051,173</u>
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	71,747	74,045
Pension deferrals	4,460	6,599
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>76,207</u>	<u>80,644</u>
NET POSITION		
Net investment in capital assets	(40,379)	(41,229)
Restricted	37,934	51,651
Unrestricted	35,350	24,624
TOTAL NET POSITION	<u>32,905</u>	<u>35,046</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 1,141,745</u>	<u>\$ 1,166,863</u>

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

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

UNAUDITED

	Two Months Ended August 31,	
	2017	2016
	(in thousands)	
OPERATING REVENUES		
Participants	\$ 60,745	\$ 59,039
Other Third-Party	59,578	37,098
TOTAL OPERATING REVENUES	120,323	96,137
OPERATING EXPENSES		
Purchased power	70,133	49,269
Operations	9,956	9,092
Transmission	24,489	17,547
Depreciation	5,159	5,121
Maintenance	2,333	2,017
Administrative and general	2,280	2,468
TOTAL OPERATING EXPENSES	114,350	85,514
NET OPERATING REVENUES	5,973	10,623
OTHER (EXPENSES) REVENUES		
Interest expense	(6,733)	(7,060)
Interest income	2,048	(784)
Other	763	5,336
TOTAL OTHER EXPENSES	(3,922)	(2,508)
FUTURE RECOVERABLE AMOUNTS	(1,415)	(1,101)
REFUNDS TO PARTICIPANTS	(1,791)	69
INCREASE (DECREASE) IN NET POSITION	(1,155)	7,083
NET POSITION, Beginning of year	34,060	27,963
NET POSITION, Period ended	\$ 32,905	\$ 35,046

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

August 31, 2017

	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services				
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents	\$ 1	\$ -	\$ 1	\$ 1	\$ 72	\$ -	\$ -	\$ 63	\$ -	\$ 40,931	\$ 41,069	
Investments	-	-	-	-	-	-	-	-	-	35,156	35,156	
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	
Participants	-	-	-	-	-	-	-	-	-	23	613	
Other	-	1	-	2	-	-	-	-	590	3,357	3,357	
Interest receivable	-	-	-	-	-	-	-	-	67	105	172	
Inventory and supplies	4,554	1,079	642	1,405	2,111	-	-	-	-	-	9,791	
Prepaid expenses	218	170	14	20	156	-	-	18	-	259	855	
Due from Agency and other programs*	19,783	17,162	2,780	(446)	14,627	-	-	5,577	13,433	(72,916)	-	
TOTAL CURRENT ASSETS	24,556	18,412	3,437	982	16,966	-	-	5,658	17,397	3,605	91,013	
RESTRICTED ASSETS												
Cash and cash equivalents	5,890	3,574	2	-	1,642	-	-	-	6,209	27,377	44,694	
Investments	18,844	34,670	2,044	-	28,214	-	-	-	18,679	53,187	155,638	
Interest receivable	77	67	5	-	82	-	-	-	-	218	449	
TOTAL RESTRICTED ASSETS	24,811	38,311	2,051	-	29,938	-	-	-	24,888	80,782	200,781	
ELECTRIC PLANT												
Electric plant in service	569,182	394,274	64,826	36,245	423,640	7,736	-	663	-	5,360	1,501,926	
Less: accumulated depreciation	(532,563)	(254,182)	(46,525)	(34,325)	(69,376)	(7,736)	-	(370)	-	(2,795)	(947,872)	
	36,619	140,092	18,301	1,920	354,264	-	-	293	-	2,565	554,054	
Construction work-in-progress	670	-	-	-	107	-	-	-	-	44	821	
TOTAL ELECTRIC PLANT	37,289	140,092	18,301	1,920	354,371	-	-	293	-	2,609	554,875	
OTHER ASSETS												
Regulatory assets	378	144,899	111,161	-	22,013	-	-	-	-	56,379	234,830	
Other deposits and prepaids	14	-	-	-	-	-	-	-	-	10	24	
TOTAL ASSETS	87,048	341,714	34,950	2,902	423,288	-	-	5,951	42,285	143,385	1,081,523	
DEFERRED OUTFLOWS OF RESOURCES												
Excess cost on refunding of debt	1,830	42,862	2,024	-	-	-	-	-	-	-	46,716	
Pension deferrals	-	-	-	-	-	-	-	-	-	13,506	13,506	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,830	42,862	2,024	-	-	-	-	-	-	13,506	60,222	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 88,878	\$ 384,576	\$ 36,974	\$ 2,902	\$ 423,288	\$ -	\$ -	\$ 5,951	\$ 42,285	\$ 156,891	\$ 1,141,745	

* Eliminated in Combining

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

August 31, 2017

	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
LIABILITIES										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	\$ 1	\$ 278	\$ -	\$ -	\$ 2,116	\$ -	\$ 29,134	\$ -	\$ 3,453	\$ 34,982
Member advances	791	-	-	-	-	-	-	202	-	993
Operating reserves	6,213	250	513	711	12,740	-	-	-	-	20,427
Current portion of long-term debt	4,910	22,610	3,995	-	10,355	-	-	-	-	41,870
Accrued interest payable	117	2,619	131	-	4,008	-	-	-	-	6,875
TOTAL CURRENT LIABILITIES	12,032	25,757	4,639	711	29,219	-	29,134	202	3,453	105,147
NON-CURRENT LIABILITIES										
Net pension liability	-	-	-	-	-	-	-	-	64,589	64,589
Operating reserves and other deposits	18,074	16,130	-	-	1,716	-	24,955	238	80,782	141,895
Interest rate swap liability	-	15,173	-	-	-	-	-	-	-	15,173
Long-term debt, net	24,520	310,065	30,378	-	340,866	-	-	-	-	705,829
TOTAL NON-CURRENT LIABILITIES	42,594	341,368	30,378	-	342,582	-	24,955	238	145,371	927,486
TOTAL LIABILITIES	54,626	367,125	35,017	711	371,801	-	54,089	440	148,824	1,032,633
DEFERRED INFLOWS OF RESOURCES										
Regulatory credits	19,361	3,943	981	2,080	42,050	-	-	293	3,039	71,747
Pension deferrals	-	-	-	-	-	-	-	-	4,460	4,460
TOTAL DEFERRED INFLOWS OF RESOURCES	19,361	3,943	981	2,080	42,050	-	-	293	7,499	76,207
NET POSITION										
Net investment in capital assets	(3,540)	(19,335)	(3,824)	-	(14,516)	-	-	-	836	(40,379)
Restricted	5,740	15,501	1,919	-	14,773	-	-	-	1	37,934
Unrestricted	12,691	17,342	2,881	111	9,180	-	(11,804)	5,218	(269)	35,350
TOTAL NET POSITION	14,891	13,508	976	111	9,437	-	(11,804)	5,218	568	32,905
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 88,878	\$ 384,576	\$ 36,974	\$ 2,902	\$ 423,288	\$ -	\$ 42,285	\$ 5,951	\$ 156,891	\$ 1,141,745

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 Two Months Ended August 31, 2017

	GENERATING & TRANSMISSION RESOURCES										Other Agency/ Combined	
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services				
OPERATING REVENUES												
Participants	\$ 862	\$ (461)	\$ 1,091	\$ (71)	\$ 8,357	\$ -	\$ 47,971	\$ 2,968	\$ -	\$ 28	\$ 60,745	
Other Third-Party	5,574	8,739	529	797	5,648	-	38,226	65	-	-	59,578	
TOTAL OPERATING REVENUES	6,436	8,278	1,620	726	14,005	-	86,197	3,033	-	28	120,323	
OPERATING EXPENSES												
Purchased power	-	-	-	-	454	-	69,679	-	-	-	70,133	
Operations	2,335	513	247	251	4,583	-	606	1,421	-	-	9,956	
Transmission	73	703	126	93	286	-	23,208	-	-	-	24,489	
Depreciation	644	1,618	369	30	2,436	-	-	12	-	50	5,159	
Maintenance	653	850	104	202	535	-	-	9	-	-	2,333	
Administrative and general	794	299	111	122	837	-	-	911	-	(794)	2,280	
Intercompany (sales) purchases, net*	(89)	36	8	15	40	-	-	(10)	-	-	-	
TOTAL OPERATING EXPENSES	4,390	4,019	965	713	9,171	-	93,493	2,343	(744)	114,350		
NET OPERATING REVENUES	2,046	4,259	655	13	4,834	-	(7,296)	690	772	5,973		
OTHER (EXPENSES) REVENUES												
Interest expense	(117)	(3,732)	(284)	-	(2,600)	-	-	-	-	-	(6,733)	
Interest income	365	158	(44)	-	195	-	230	2	1,142	-	2,048	
Other	-	1	191	-	440	-	-	-	440	131	763	
TOTAL OTHER EXPENSES	248	(3,573)	(137)	-	(1,965)	-	230	2	1,273	(3,922)		
FUTURE RECOVERABLE AMOUNTS												
	(355)	(1,110)	(310)	-	360	249	-	-	(249)	(1,415)		
REFUNDS TO PARTICIPANTS												
	(121)	135	3	(2)	-	-	(970)	34	(870)	(1,791)		
INCREASE (DECREASE) IN NET POSITION	1,818	(289)	211	11	3,229	249	(8,036)	726	926	(1,155)		
NET POSITION, Beginning of year	13,073	13,797	765	100	6,208	(249)	(3,768)	4,492	(358)	34,060		
NET POSITION, Period ended	\$ 14,891	\$ 13,508	\$ 976	\$ 111	\$ 9,437	\$ -	\$ (11,804)	\$ 5,218	\$ 568	\$ 32,905		

* Eliminated in Combination

NORTHERN CALIFORNIA POWER AGENCY & ASSOCIATED POWER CORPORATIONS
AGED ACCOUNTS RECEIVABLE
August 31, 2017

<u>Status</u>	<u>Participant / Customer</u>	<u>Description</u>	<u>Amount</u>
CURRENT			\$ 3,962,014
PAST DUE:			
1 - 30	Lodi	Consulting	7,600 *
31 - 60			
61 - 90			
91 - 120			
Over 120 Days			
PARTICIPANT and OTHER RECEIVABLES (net)			<u>\$ 3,969,614</u>

** Denotes items paid/applied after August 31, 2017.*

**NOTE: All amounts invoiced or credited to members and others are project/program specific.
NCPA does not apply any credits issued to outstanding invoices unless directed.**



11


Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Treasurer's Report for Month Ended August 31, 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"/>
<i>If other, please specify:</i>		
<hr/>		
<hr/>		

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 \$10,419,721 of which approximately \$13,328 was applicable to Special and Reserve Fund Deposits, \$2,112 to Debt Service and \$10,404,281 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 \$266,133,983 at month end. The current market value of the portfolio totaled \$265,279,363.

The overall portfolio had a combined weighted average interest rate of 1.218% with a bond equivalent yield (yield to maturity) of 1.235%. Investments with a maturity greater than one year totaled \$164,210,000. August maturities totaled \$45 million and monthly receipts totaled \$33 million. During the month \$65 million was invested.

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

Interest Rates - During the month, rates on 90 day T-Bills decreased 12 basis points (from 1.13% to 1.01%) and rates on one year T-Bills remained the same at 1.23%.

To the best of my knowledge and belief, all securities held by NCPA as of August 31, 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: 201:17

NORTHERN CALIFORNIA POWER AGENCY

TREASURER'S REPORT

AUGUST 31, 2017

TABLE OF CONTENTS

	<u>PAGE</u>
CASH & INVESTMENT BALANCE	1
CASH ACTIVITY SUMMARY	2
INVESTMENT ACTIVITY SUMMARY	3
INTEREST RATE/YIELD ANALYSIS	4
INVESTMENT MATURITIES ANALYSIS	5
DETAIL REPORT OF INVESTMENTS	APPENDIX

**Northern California Power Agency
Treasurer's Report
Cash & Investment Balance
August 31, 2017**

	CASH	INVESTMENTS	TOTAL	PERCENT
NCPA FUNDS				
Operating	\$ 8,987,294	\$ 90,751,209	99,738,503	36.06%
Special Deposits	1,414,157	0	1,414,157	0.51%
Construction	2,830	4,937,062	4,939,892	1.79%
Debt Service	2,112	13,902,832	13,904,944	5.03%
Special & Reserve	13,328	156,542,880	156,556,208	56.61%
	\$ 10,419,721	\$ 266,133,983	\$ 276,553,704	100.00%

Portfolio Investments at Market Value

\$ 265,279,363

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency
Treasurer's Report
Cash Activity Summary
August 31, 2017**

	RECEIPTS			EXPENDITURES			CASH
	OPS/CONSTR	INTEREST	INVESTMENTS	OPS/CONSTR	INVESTMENTS	INTER-COMPANY/ FUND TRANSFERS	INCREASE / (DECREASE)
		(NOTE B)	(NOTE A)		(NOTE B)		
NCPA FUNDS							
Operating	\$ 32,379,251	\$ 16,845	\$ 31,410,058	\$ (17,004,973)	\$ (50,203,542)	\$ (12,440,808)	\$ (15,843,169)
Special Deposits	637,419	7	-	(8,534,497)	-	7,893,522	(3,549)
Construction	-	-	-	-	(961,426)	-	(961,426)
Debt Service	-	37	4,379,000	(4,690,418)	(6,063,344)	6,058,675	(316,050)
Special & Reserve	-	85,822	9,563,875	-	(8,132,173)	(1,511,389)	6,135
	\$ 33,016,670	\$ 102,711	\$ 45,352,933	\$ (30,229,888)	\$ (65,360,485)	\$ -	\$ (17,118,059)

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
August 31, 2017**

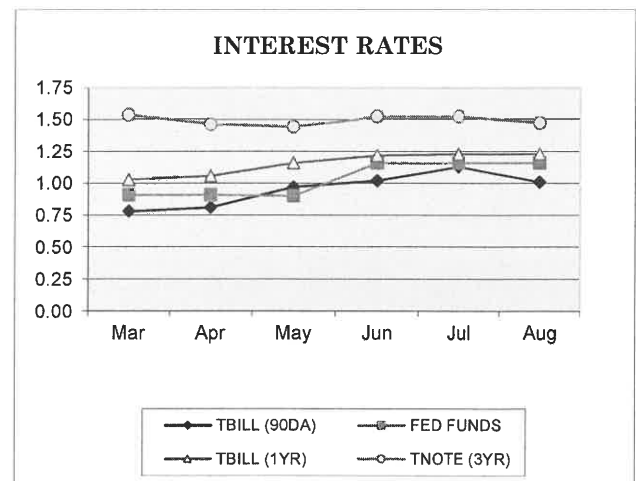
	PURCHASED	SOLD OR MATURED	(NON-CASH)	(NON-CASH)	INVESTMENTS	
			DISC/(PREM) AMORT	GAIN/(LOSS) ON SALE	TRANSFERS	INCREASE / (DECREASE)
NCPA FUNDS						
Operating	\$ 50,203,542	\$ (31,410,058)	\$ (2,881)	\$ -	\$ -	\$ 18,790,603
Special Deposits	-	-	-	-	-	-
Construction	961,426	-	(487)	-	-	960,939
Debt Service	6,063,344	(4,379,000)	8,030	-	-	1,692,374
Special & Reserve	8,132,173	(9,563,875)	(9,575)	-	-	(1,441,277)
	<u>\$ 65,360,485</u>	<u>\$ (45,352,933)</u>	<u>\$ (4,913)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>20,002,639</u>
Less Non- Cash Activity						
Disc/(Prem) Amortization & Gain/(Loss) on Sale						<u>4,913</u>
Net Change in Investment --Before Non-Cash Activity						<u>\$ 20,007,552</u>

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency
Interest Rate/Yield Analysis
August 31, 2017**

	WEIGHTED AVERAGE INTEREST RATE	BOND EQUIVALENT YIELD
OVERALL COMBINED	1.218%	1.235%
OPERATING FUNDS:	1.206%	1.159%
PROJECTS:		
Geothermal	1.327%	1.342%
Capital Facilities	2.005%	1.985%
Hydroelectric	1.386%	1.348%
Lodi Energy Center	1.743%	1.390%

KEY INTEREST RATES		
	CURRENT	PRIOR YEAR
Fed Fds (Ovrnight)	1.16%	0.40%
T-Bills (90da.)	1.01%	0.31%
Agency Disc (90da.)	1.01%	0.34%
T-Bills (1yr.)	1.23%	0.59%
Agency Disc (1yr.)	1.18%	0.70%
T-Notes (3yr.)	1.47%	0.89%



**Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
August 31, 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	\$ -	\$ 10,121	\$ 7,483	\$ 4,560	\$ 3,993	\$ 164,210	\$ -	\$ 190,367	69.30%
US Bank Trust Money Market	12							12	0.00%
Commercial Paper	17,293							17,293	6.29%
Investment Trusts (LAIF)	58,046							58,046	21.13%
U.S.Treasury Market Acct. *	8,991							8,991	3.27%
U.S.Treasury Bill									0.00%
Certificates of Deposit		10						10	0.00%
Total Dollars	\$ 84,342	\$ 10,131	\$ 7,483	\$ 4,560	\$ 3,993	\$ 164,210	\$ 0	\$ 274,719	100.00%
Total Percents	30.70%	3.69%	2.72%	1.66%	1.45%	59.77%	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

08/31/2017

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	25,000	0.100	11/26/2014	25,000		1	0.100	25,000	SYST70101	70101	25,000
Local Agency Investm	LAIF	14,644,429	0.923	07/01/2013	14,644,429		1	0.923	14,644,429	SYST70000	70000	14,644,429
Union Bank of Calif	UBOC	2,954	0.002	07/01/2013	2,954		1	0.002	2,954	SYST70014	70014	2,954
US Bank	USB	8,987,292	0.001	06/30/2013	8,987,292		1	0.001	8,987,292	SYST70050	70050	8,987,292
US Bank	USB	17,267,686	0.600	08/24/2017	17,267,686		1	0.600	17,267,686	SYST70056	70056	17,267,686
US Bank	USB	10,000	0.050	07/07/2017	10,000	10/07/2017	36	0.050	10,000	SYST30304	30304	10,000
Federal Home Loan Ba	UBOC	2,506,000	1.030	08/28/2017	2,499,404	11/28/2017	88	1.047	2,499,760	313385PVZ	26464	2,499,690
Federal Farm Credit	UBOC	3,626,000	1.290	12/21/2015	3,624,948	11/19/2018	444	1.300	3,625,275	3133FFPJ0	26280	3,625,561
Federal Home Loan Mt	UBOC	9,870,000	1.750	06/09/2015	9,993,900	05/30/2019	636	1.450	9,938,893	3137EADG1	26231	9,920,065
Federal Home Loan Ba	UBOC	4,975,000	1.600	08/28/2017	4,990,373	07/17/2020	1,050	1.490	4,988,632	3130ABTTW6	26466	4,990,328
Federal Home Loan Ba	UBOC	7,785,000	1.400	07/19/2016	7,781,108	01/19/2021	1,236	1.411	7,685,975	3130A8P80	26355	7,782,073
Federal Farm Credit	UBOC	2,602,000	1.720	08/28/2017	2,611,784	07/26/2021	1,424	1.620	2,612,824	3133EHSR5	26465	2,611,763
Federal Home Loan Mt	UBOC	3,500,000	1.500	11/23/2016	3,500,000	08/23/2021	1,452	1.500	3,451,910	3134GAVH4	26385	3,500,000
Federal Home Loan Mt	UBOC	202,000	2.200	01/30/2017	202,000	01/26/2022	1,608	2.200	202,093	3134GAV92	26403	202,000
Fund Total and Average		\$ 76,003,361	1.020		\$ 76,130,878		423	0.972	\$ 75,942,723			\$ 76,068,841

MPP GHG Auction Acct

Local Agency Investm		62,729	0.923	07/01/2013	62,729		1	0.923	62,729	SYST70045	70045	62,729
Fund Total and Average		\$ 62,729	0.924		\$ 62,729		1	0.924	\$ 62,729			\$ 62,729

SCPA Balancing Account

Local Agency Investm	LAIF	4,855,946	0.923	07/01/2013	4,855,946		1	0.923	4,855,946	SYST70022	70022	4,855,946
Union Bank of Calif	UBOC	0	0.005	07/01/2013	0		1	0.005	0	SYST70023	70023	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST70058	70058	0
Federal Home Loan Ba	UBOC	4,510,000	1.000	04/27/2015	4,510,000	04/27/2018	238	1.000	4,506,482	3130A5T72	26223	4,510,000
Federal National Mtg	UBOC	3,962,000	1.625	12/18/2014	4,000,630	11/27/2018	452	1.369	3,978,403	3135G0Y74	26187	3,974,141
Federal National Mtg	UBOC	5,098,000	1.350	04/28/2016	5,098,000	10/28/2019	787	1.350	5,075,059	3135G0J95	26330	5,098,000
Federal National Mtg	UBOC	5,097,000	1.350	07/28/2016	5,097,000	07/28/2020	1,061	1.350	4,990,931	3136G3T39	26357	5,097,000
Fund Total and Average		\$ 23,522,946	1.241		\$ 23,561,576		522	1.198	\$ 23,406,821			\$ 23,535,087

General Operating Reserve

Local Agency Investm	LAIF	27,375,986	0.923	07/01/2013	27,375,986		1	0.923	27,375,986	SYST70000	70002	27,375,986
Union Bank of Calif	UBOC	577	0.002	07/01/2013	577		1	0.002	577	SYST70019	70019	577
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST70051	70051	0
Fund Total and Average		\$ 27,375,986	0.923		\$ 27,375,986		3	0.923	\$ 27,375,986			\$ 27,375,986

Northern California Power Agency
Treasurer's Report
08/31/2017

General Operating Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Federal National Mig	UBOC	5,970,000	1.625	12/23/2014	6,009,701	11/27/2018	452	1.450	5,994,716	3135G0YT4	26188	5,982,522
Federal National Mig	UBOC	4,982,000	1.750	08/28/2015	5,047,364	11/26/2019	816	1.430	5,018,717	3135G0ZT2	26246	5,016,436
Federal Farm Credit	UBOC	4,285,000	1.440	07/20/2016	4,280,715	01/19/2021	1,236	1.463	4,239,965	3133EGMP7	26356	4,281,776
Federal Home Loan Ba	UBOC	16,720,000	1.400	07/19/2016	16,711,640	01/19/2021	1,236	1.411	16,507,322	3130A8P80	26354	16,713,715
Federal National Mig	UBOC	5,162,000	1.625	05/25/2016	5,162,000	05/25/2021	1,362	1.625	5,081,524	3136G3NL5	26332	5,162,000
Federal National Mig	UBOC	1,300,000	1.500	08/30/2016	1,300,000	05/28/2021	1,365	1.500	1,273,584	3136G33W3	26368	1,300,000
Federal Farm Credit	UBOC	10,629,000	1.690	06/02/2016	10,629,000	06/02/2021	1,370	1.690	10,590,532	3133EGDH5	26335	10,629,000
Federal Home Loan Mt	UBOC	467,000	2.200	01/30/2017	467,000	01/26/2022	1,608	2.200	467,215	3134GAV92	26402	467,000
Federal Home Loan Ba	UBOC	3,575,000	2.125	08/28/2017	3,634,560	06/10/2022	1,743	1.760	3,635,525	313379069	26467	3,634,456
Fund Total and Average		\$ 80,466,563	1.370		\$ 80,618,543		785	1.325	\$ 80,175,663			\$ 80,563,468
GRAND TOTALS:		\$ 180,055,599	1.206		\$ 180,373,726		597	1.159	\$ 179,587,936.			\$ 180,230,125

*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 08/31/2017

- Investment #26330 FNMA Callable quarterly
- Investment #26332 FNMA Callable quarterly
- Investment #26335 FCCB Callable anytime
- Investment #26354 FHLB Callable anytime
- Investment #26355 FHLB Callable anytime
- Investment #26356 FCCB Callable anytime
- Investment #26357 FNMA Callable quarterly
- Investment #26368 FNMA Callable quarterly
- Investment #26385 FHLMC Callable quarterly
- Investment #26402 FHLMC Callable 1/26/18, then quarterly
- Investment #26403 FHLMC Callable 1/26/18, then quarterly



GEO 2012 Construction Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Federal Home Loan Ba	USB	880,000	1.030	08/28/2017	877,633	11/30/2017	90	1.047	877,756	313385PX8	26462	877,734
Fund Total and Average		\$ 880,000	1.030		\$ 877,633		90	1.047	\$ 877,756			\$ 877,734

Geothermal Debt Service

Federal Home Loan Ba	USBT	240,000	1.080	07/28/2017	238,862	01/02/2018	123	1.100	239,122	313385RG3A	26441	239,114
Federal Home Loan Ba	USBT	235,000	1.021	08/28/2017	234,153	01/02/2018	123	1.039	234,140	313385RG3A	26468	234,180
Fund Total and Average		\$ 475,000	1.051		\$ 473,015		123	1.070	\$ 473,262			\$ 473,294

Geo 2012A Debt Service

Federal Home Loan Ba	USBT	128,000	1.080	07/28/2017	127,393	01/02/2018	123	1.100	127,532	313385RG3A	26442	127,528
Federal Home Loan Ba	USBT	123,000	1.030	08/29/2017	122,557	01/02/2018	123	1.048	122,550	313385RG3A	26469	122,567
Fund Total and Average		\$ 251,000	1.055		\$ 249,950		123	1.075	\$ 250,082			\$ 250,095

Geo 2016A Debt Service

U.S. Treasury	USBT	58,000	1.039	07/28/2017	57,744	12/28/2017	118	1.059	57,810	912796MJ5	26443	57,802
U.S. Treasury	USBT	55,000	0.987	08/29/2017	54,817	12/28/2017	118	1.004	54,820	912796MJ5	26470	54,822
Fund Total and Average		\$ 113,000	1.014		\$ 112,561		118	1.033	\$ 112,630			\$ 112,624

Geothermal Special Reserve

Local Agency Investm	LALF	0	0.356	07/01/2013	0		1	0.356	0	SVS70032	70032	0
Union Bank of Califio	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SVS70015	70015	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SVS70063	70063	0
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	451	1.150	1,496,205	3134G8KVO	26302	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		451	1.150	\$ 1,496,205			\$ 1,500,000

Geo Decommissioning Reserve

Local Agency Investm	LALF	5,884,522	0.923	07/01/2013	5,884,522		1	0.923	5,884,522	SVS70027	70027	5,884,522
Union Bank of Califio	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SVS70034	70034	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SVS70059	70059	0
Federal National Mtg	UBOC	9,700,000	1.500	08/30/2016	9,700,000	05/28/2021	1,365	1.500	9,502,896	3136G33W3	26369	9,700,000
Federal Home Loan Mt	UBOC	941,000	2.200	01/30/2017	941,000	01/26/2022	1,608	2.200	941,433	3134GAV92	26404	941,000



Northern California Power Agency
Treasurer's Report
08/31/2017

Geo Decommissioning Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Fund Total and Average		\$ 16,525,522	1.335		\$ 16,525,522		893	1.335	\$ 16,328,851			\$ 16,525,522
GEO Debt Service Reserve Acct												
U.S. Treasury	USB	31,000	1.060	07/28/2017	30.828	02/01/2018	153	1.080	30,862	912796LJ6	26449	30,860
Federal Home Loan Mt	USBT	907,000	1.750	06/02/2015	920.886	05/30/2019	636	1.354	913,331	3137EADG-1	26228	913,074
Federal Home Loan Mt	USBT	2,515,000	1.250	02/27/2015	2,483.839	10/02/2019	761	1.530	2,504,487	3137EADM8	26197	2,500,860
Fund Total and Average		\$ 3,453,000	1.381		\$ 3,435,553		722	1.480	\$ 3,448,680			\$ 3,444,794

Geo 2012A DSR Account

U.S. Treasury	USB	28,000	1.040	07/28/2017	27.876	12/28/2017	118	1.059	27,908	912796MJ5	26450	27,905
Federal National Mtg	USBT	1,517,000	1.625	05/25/2016	1,517,000	05/25/2021	1,362	1.625	1,493,350	3136G3NL5	26333	1,517,000
Fund Total and Average		\$ 1,545,000	1.614		\$ 1,544,876		1340	1.615	\$ 1,521,258			\$ 1,544,905
GRAND TOTALS:		\$ 24,742,522	1.327		\$ 24,719,110		816	1.342	\$ 24,508,724			\$ 24,728,968

*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 08/31/2017

- 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
08/31/2017

Capital Dev. Reserve Hydro

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond ⁺ Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm	LAIF	3,562,353	0.923	07/01/2013	3,562,353		1	0.923	3,562,353	SVST70028	70028	3,562,353
Union Bank of Calif	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SVST70031	70031	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SVST70052	70052	0
Federal Home Loan Mt	UBOC	3,993,000	0.950	06/29/2016	3,993,000	06/29/2018	301	0.950	3,982,379	3134G9A80	26339	3,993,000
Federal Home Loan Mt	UBOC	3,221,000	1.150	02/29/2016	3,221,000	11/26/2018	451	1.150	3,212,851	3134G8KVO	26304	3,221,000
Federal National Mtg	UBOC	5,320,000	1.350	06/30/2016	5,320,000	12/30/2019	850	1.350	5,278,185	3136G3VH5	26340	5,320,000
Fund Total and Average		\$ 16,096,353	1.116		\$ 16,096,353		446	1.116	\$ 16,035,768			\$ 16,096,353

Hydro Initial Facilities

U.S. Treasury	USB	84,000	0.953	08/29/2017	83,793	11/30/2017	90	0.969	83,792	912796ME6	26472	83,800
Federal National Mtg	USB	1,529,000	1.625	12/12/2014	1,539,244	11/27/2018	452	1.450	1,535,330	3135GOV74	26189	1,532,206
Federal Farm Credit	USB	2,437,000	1.250	02/02/2016	2,450,501	01/22/2019	508	1.060	2,433,393	3133EFVQ7	26300	2,443,321
Fund Total and Average		\$ 4,050,000	1.385		\$ 4,073,538		478	1.205	\$ 4,052,515			\$ 4,059,327

Hydro Debt Service

Federal Home Loan Ba	USBT	2,994,000	1.080	07/28/2017	2,979,808	01/02/2018	123	1.100	2,983,042	313386RG3A	26444	2,982,952
Federal Home Loan Ba	USBT	2,965,000	1.030	08/29/2017	2,954,311	01/02/2018	123	1.048	2,954,148	313386RG3A	26471	2,954,566
Fund Total and Average		\$ 5,959,000	1.055		\$ 5,934,119		123	1.074	\$ 5,937,190			\$ 5,937,518

Hydro Debt Service Reserv 2010A

U.S. Treasury	USB	50,000	1.159	08/29/2017	49,568	05/24/2018	265	1.183	49,576	912796MB2	26473	49,573
Federal Home Loan Ba	USB	135,000	4.375	07/28/2017	142,601	07/01/2019	668	1.400	142,206	3133XU3G6	26451	142,239
Federal Farm Credit	USB	5,528,000	1.750	08/28/2015	5,546,187	09/04/2020	1,068	1.680	5,550,554	3133EE5Z9	26243	5,538,783
Fund Total and Average		\$ 5,713,000	1.810		\$ 5,738,356		1051	1.659	\$ 5,742,336			\$ 5,730,595

Hydro 2012A Rebate Account

Federal Home Loan Mt	USB	689,000	1.875	04/28/2017	691,391	08/09/2021	1,438	1.790	692,672	3134G99A3	26432	691,200
Fund Total and Average		\$ 689,000	1.875		\$ 691,391		1438	1.790	\$ 692,672			\$ 691,200

Hydro Special Reserve

Local Agency Investm	LAIF	0	0.377	07/01/2013	0		1	0.377	0	SVST70000	70003	0
Fund Total and Average		\$ 0	0.377		\$ 0		1	0.377	\$ 0			\$ 0



Northern California Power Agency
 Treasurer's Report
 08/31/2017

Hydro Special Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYST70033	70033	0
Union Bank of Calif	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYST70016	70016	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST70064	70064	0
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	451	1.150	1,496,205	3134G8KVO	26303	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		451	1.150	\$ 1,496,205			\$ 1,500,000

Hydro 2012 DSRA

U.S. Treasury	USB	96,000	1.060	07/28/2017	95,469	02/01/2018	153	1.080	95,574	912796LJ6	26452	95,568
Federal Farm Credit	USB	100,000	1.750	08/28/2015	100,329	08/04/2020	1,068	1.680	100,408	3133EE5Z9	26244	100,195
Federal National Mtg	USB	94,000	1.530	07/28/2016	94,000	07/28/2021	1,426	1.530	91,675	3136G3S97	26359	94,000
Federal Home Loan Mt	USB	3,928,000	2.375	02/09/2012	3,926,232	01/13/2022	1,595	2.380	4,032,995	3137EADB2	25852	3,927,223
Fund Total and Average		\$ 4,218,000	2.312		\$ 4,216,030		1546	2.315	\$ 4,320,652			\$ 4,216,986
GRAND TOTALS:		\$ 38,225,353	1.386		\$ 36,249,787		629	1.348	\$ 38,277,338.			\$ 38,231,979

*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 08/31/2017

- Investment #26303 FHLMC Callable quarterly
- Investment #26339 FHLMC Callable quarterly
- Investment #26340 FNMA Callable quarterly
- Investment #26359 FNMA Callable quarterly



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	495,000	1.055	08/28/2017	492,810	01/26/2018	147	1.074	492,837	313385SG2	26461	492,868
Fund Total and Average		\$ 495,000	1.055		\$ 492,810		147	1.074	\$ 492,837			\$ 492,868
Cap. Fac. Debt Svc Reserve												
U.S. Treasury	USB	35,000	1.040	07/28/2017	34,845	12/28/2017	118	1.059	34,886	912796MU5	26453	34,881
Federal National Mtg	USB	71,000	1.530	07/28/2016	71,000	07/28/2021	1,426	1.530	69,244	3136GSS97	26358	71,000
Federal Home Loan Mt.	USB	1,443,000	2.375	02/13/2012	1,447,430	01/13/2022	1,595	2.340	1,481,571	3137EADB2	25945	1,444,951
Fund Total and Average		\$ 1,549,000	2.306		\$ 1,553,275		1554	2.274	\$ 1,585,701			\$ 1,550,832
GRAND TOTALS:		\$ 2,044,000	2.005		\$ 2,046,085		1215	1.985	\$ 2,078,538.			\$ 2,043,700

*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 08/31/2017
Investment #26358 FNMA Callable quarterly



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		71,843	0.923	07/01/2013	71,843		1	0.923	71,843	SVS70046	70046	71,843
Fund Total and Average		\$ 71,843	0.924		\$ 71,843		1	0.924	\$ 71,843			\$ 71,843

LEC Issue#1 2010A DS Fund

US Bank Trust	USB	538	0.100	07/01/2013	538		1	0.100	538	SVS79003	79003	538
Federal Home Loan Ba	USBT	696,000	1.030	08/25/2017	693,071	11/30/2017	90	1.047	693,228	313385PX8	26457	693,210
Federal Home Loan Ba	USBT	701,000	1.050	06/30/2017	697,851	12/01/2017	91	1.069	699,156	313385PV6	26436	699,139
Federal Home Loan Ba	USBT	696,000	1.070	07/28/2017	693,393	12/01/2017	91	1.088	694,170	313385PV6	26445	694,118
Fund Total and Average		\$ 2,092,538	1.050		\$ 2,084,853		91	1.068	\$ 2,087,092			\$ 2,087,005

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	648	0.100	07/01/2013	648		1	0.100	648	SVS79004	79004	648
Federal Home Loan Ba	USBT	727,000	1.030	08/25/2017	724,982	11/30/2017	90	1.047	725,146	313385PX8	26458	725,128
Federal Home Loan Ba	USBT	732,000	1.050	06/30/2017	728,712	12/01/2017	91	1.069	730,075	313385PV6	26437	730,057
Federal Home Loan Ba	USBT	729,000	1.070	07/28/2017	728,270	12/01/2017	91	1.088	727,083	313385PV6	26446	727,028
Fund Total and Average		\$ 2,188,648	1.050		\$ 2,180,612		91	1.068	\$ 2,182,952			\$ 2,182,861

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	924	0.100	07/01/2013	924		1	0.100	924	SVS79011	79011	924
Federal Home Loan Ba	USBT	438,000	1.030	08/25/2017	436,784	11/30/2017	90	1.047	436,883	313385PX8	26459	436,872
Federal Home Loan Ba	USBT	442,000	1.050	06/30/2017	440,015	12/01/2017	91	1.069	440,838	313385PV6	26438	440,827
Federal Home Loan Ba	USBT	439,000	1.070	07/28/2017	437,356	12/01/2017	91	1.088	437,845	313385PV6	26447	437,813
Fund Total and Average		\$ 1,319,924	1.049		\$ 1,315,079		91	1.068	\$ 1,316,490			\$ 1,316,436

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	913	0.100	07/01/2013	913		1	0.100	913	SVS79012	79012	913
Federal Home Loan Ba	USBT	349,000	1.030	08/25/2017	348,031	11/30/2017	90	1.047	348,110	313385PX8	26460	348,101
Federal Home Loan Ba	USBT	353,000	1.050	06/30/2017	351,414	12/01/2017	91	1.069	352,072	313385PV6	26439	352,063
Federal Home Loan Ba	USBT	350,000	1.070	07/28/2017	348,689	12/01/2017	91	1.088	349,080	313385PV6	26448	349,053
Fund Total and Average		\$ 1,052,913	1.049		\$ 1,049,047		91	1.068	\$ 1,050,175			\$ 1,050,130



Northern California Power Agency
 Treasurer's Report
 08/31/2017

LEC Issue #1 2010 DSR Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond ⁺ Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	4,322	0.100	07/01/2013	4,322		1	0.100	4,322	SYST79005	79005	4,322
Federal Farm Credit	USB	4,360,000	1.660	06/08/2016	4,360,000	05/25/2021	1,362	1.659	4,338,374	3133EGBZ7	26337	4,360,000
Federal Home Loan Mt	USB	150,000	1.125	07/28/2017	146,648	08/11/2021	1,441	1.699	147,024	3137EAC9	26454	146,724
Federal Home Loan Ba	USB	4,100,000	2.125	08/28/2017	4,168,306	06/10/2022	1,743	1.760	4,169,413	313379Q69	26463	4,168,187
Fund Total and Average		\$ 8,614,322	1.873		\$ 8,679,276		1546	1.708	\$ 8,659,133			\$ 8,679,233

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	1,493	0.100	07/01/2013	1,493		1	0.100	1,493	SYST79006	79006	1,493
Federal Home Loan Ba	USB	2,145,000	3.375	07/28/2017	2,255,146	06/11/2020	1,015	1.540	2,251,757	313370E38	26455	2,251,630
Fund Total and Average		\$ 2,146,493	3.373		\$ 2,256,539		1014	1.539	\$ 2,253,250			\$ 2,253,123

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	2,742	0.100	07/01/2013	2,742		1	0.100	2,742	SYST79013	79013	2,742
Federal Home Loan Ba	USB	1,025,000	4.375	07/28/2017	1,082,708	07/01/2019	668	1.400	1,079,715	3133XU3G6	26456	1,079,980
Fund Total and Average		\$ 1,027,742	4.364		\$ 1,085,450		666	1.397	\$ 1,082,457			\$ 1,082,702

LEC O & M Reserve

Local Agency Investm		1,588,664	0.923	07/01/2013	1,588,664		1	0.923	1,588,664	SYST70047	70047	1,588,664
Union Bank of Calif	UBOC	0	0.002	07/18/2013	0		1	0.002	0	SYST70041	70041	0
Federal National Mtg	UBOC	2,933,000	1.875	08/28/2015	2,998,142	02/19/2019	536	1.220	2,955,232	3135G0Z44	26248	2,960,494
Federal Home Loan Ba	USB	3,615,000	1.540	06/30/2017	3,613,952	06/05/2020	1,008	1.550	3,620,206	3130AB1Q0	26440	3,614,012
Federal National Mtg	UBOC	3,000,000	1.300	06/30/2016	3,000,000	06/30/2020	1,033	1.300	2,946,630	3136G3UJ2	26341	3,000,000
Fund Total and Average		\$ 11,136,664	1.477		\$ 11,200,758		746	1.306	\$ 11,110,732			\$ 11,163,170

GRAND TOTALS:		\$ 29,651,087	1.743		\$ 29,923,657		848	1.390	\$ 29,814,124			\$ 29,886,503
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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 08/31/2017
 Investment #26337 FCCB Callable anytime




Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 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>		

RECOMMENDATION:

Note and file report by all members for the disposal of insulation materials, safety relief valve spare parts, Rosemount housings, surveying equipment, 24 volt battery load tester, key cabinet, and Yokogawa totalizers.

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>
Insulation Materials	1	Trash	\$ 0.00
WTR safety relief valve spare parts	1	Trash	\$ 0.00
Rosemount housings	63	P	\$ 71.00
Surveying Equipment	1	P	\$ 25.00
24 volt battery load tester	1	S	\$ 0.00
Key cabinet	1	S	\$ 0.00
Yokogawa totalizers	4	P	\$ 100.00
		Total	\$ 196.00

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

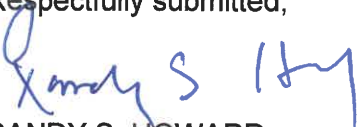
FISCAL IMPACT:

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

SR: 209:17



NORTHERN CALIFORNIA POWER AGENCY
DECLARATION OF EXCESS

Date: 7/17/15

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		Scrap Metal	S				LEC/CT2 <i>Scrap 9.10.15</i>
1		Insulation Materials	S				LEC/CT2 <i>trash</i>
1		WTR safety relief valve spare parts	S				LEC/CT2 <i>trash</i>
63		Rosemount Transmitters housings	S				LEC/CT2 <i>SOLD</i>
1		Surveying Equipment (Level & Base)	S				LEC/CT2 <i>SOLD</i>
1		24V Battery Load Tester	S				LEC/CT2 <i>recycled</i>
1		Key Cabinet	S				LEC/CT2 <i>Scrap</i>

JUSTIFICATION FOR EXCESS/DISPOSAL: Scrap Metal. Other items are obsolete.

RECOMMENDED DISPOSITION: SCRAP.

PREPARED BY: Melissa Philpot / Michael DeBortoli *Michael DeBortoli*
ORG. PUBLIC SALE PRIVATE SALE
VALUE *7/1/15* CODE: *7/1/15* DISPOSAL - NO NET SCRAP

APPROVED BY: *[Signature]* (ASST. GEN. MANAGER)
*U/M = UNIT OF MEASURE

AUTHORIZATION TO PROCEED: *[Signature]* (GENERAL MANAGER) DATE: *7/28/15*
** CONDITION: EXCELLENT (E), GOOD (G), AVERAGE POOR (P), SCRAP (S)

ORIGINAL TO TREASURER-CONTROLLER

*1. Scrap metal was disposed of and reported to the Commission on 10/29/2015



NORTHERN CALIFORNIA POWER AGENCY
DECLARATION OF EXCESS

Date: 3/11/16

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.	4	Yokogawa Totalizers	G				LEC SOLD
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							

JUSTIFICATION FOR EXCESS/DISPOSAL: No longer used at facilities

RECOMMENDED DISPOSITION: Public sale (eBay)

PREPARED BY: Melissa Philipot / Michael DeBortoli
ORG. Ken G 910110 Michael DeBortoli
APPROVED BY: [Signature] CODE: _____
(ASST. GEN. MANAGER)
AUTHORIZATION [Signature] DATE: 3/16/16
TO PROCEED: [Signature] (GENERAL MANAGER)

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

ORIGINAL TO TREASURER-CONTROLLER



Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Ethos Energy Power Plant Services, LLC – Five Year Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Material and Supplies; 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:	Combustion Turbines	

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

RECOMMENDATION:

Approval of Resolution 17-76 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Material and Supplies with Ethos Energy Power Plant Services, LLC, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years and to issue purchase orders associated with the contract. For use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.

BACKGROUND:

Various inspection, maintenance, and parts refurbishment services, and materials and supplies are periodically required at facilities owned and/or operated by NCPA, its Members, SCPPA, or by SCPPA Members. Ethos Energy Power Plant Services, LLC is a provider of these services and materials.

FISCAL IMPACT:

Upon execution, the 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. NCPA currently has in place agreements with ProEnergy Services and Sulzer Turbo Services for similar services and seeks bids from as many qualified providers as possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on September 6, 2017 and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on September 11, 2017 and was approved.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments:

- Resolution
- Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Material and Supplies with Ethos Energy Power Plant Services, LLC

RESOLUTION 17-76

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT AND AGREEMENT FOR
PURCHASE OF EQUIPMENT, MATERIAL AND SUPPLIES WITH ETHOS ENERGY POWER
PLANT SERVICES, LLC**

(reference Staff Report #198:17)

WHEREAS, inspection, maintenance and parts refurbishment services and materials and supplies 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, Ethos Energy Power Plant Services, LLC is a provider of these services, materials, and supplies; and

WHEREAS, on September 11, 2017, the LEC Project Participant Committee approved the agreement with Ethos Energy Power Plant Services, LLC, in an amount not to exceed \$1,500,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Material and Supplies with Ethos Energy Power Plant Services, LLC, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (SCPPA), or by SCPPA Members.

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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

RESOLUTION 17-77

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH FORD
CONSTRUCTION COMPANY, INC

(reference Staff Report #199:17)

WHEREAS, maintenance services, including earthwork, asphalt patch and paving, minor concrete patching, and tunnel maintenance, are periodically required at all facilities owned and/or operated by Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Ford Construction Company, Inc. is a provider of these maintenance 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 Ford Construction Company, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years for maintenance services for use at all facilities owned and/or operated by NCPA (with the exception of the Lodi Energy Center), NCPA 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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT AND
AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES
BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
ETHOS ENERGY POWER PLANT SERVICES, LLC**

This agreement for general services and purchase of equipment, materials and supplies ("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 EthosEnergy Power Plant Services, LLC, a limited liability company, with its office located at 12600 Deerfield Parkway, Suite 315, Alpharetta, GA 30004 ("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 (both services and goods collectively referred to as "Work" herein). Contractor shall be responsible at its sole expense for delivering the goods ("Goods"), as further specified herein, to Agency's Project Site, DDP, and title shall not pass until the Agency accepts delivery at this Site.

- 1.1 **Term of Agreement.** Unless terminated by either of the Parties, the term of this Agreement shall begin on the Effective Date and shall end five (5) years later.
- 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 [Intentionally left blank.]
- 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 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.

2.3.1 Contractor agrees to pay any tax or assessment upon its charges covered by this Agreement based on or measured by net income or profit, imposed or levied by any government having jurisdiction over its place of business. Contractor shall also be solely responsible for the payment of all employment taxes incurred in the performance of this Agreement.

2.3.2 All prices are exclusive of any excise, sales, use or withholding taxes; customs or duties; or costs of a similar nature. Such costs, if to be collected by Contractor by applicable law, shall be added to the purchase order, contract price, or invoice to be paid by Agency, subject to Agency's right to verify that the costs are in fact duly paid. In lieu thereof, the Agency may provide Contractor with an exemption or direct-pay certificate acceptable to the taxing authorities.

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 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 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. 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 limit of \$1,000,000 per each accident. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

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

4.3 [Intentionally omitted.]

4.4 [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) blanket type policy endorsements to the policies referenced in Section 4.2, adding the Agency as an additional insured but only to the extent of Contractor's defense and indemnity obligations under this Agreement and declaring such insurance primary to Contractor to cover Contractor's defense and indemnity obligations under this Agreement 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 [Intentionally left blank.]

4.6 Contractor's Obligation. Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

5.1 Indemnification. Contractor shall indemnify, defend (with counsel reasonably acceptable to Agency) and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from claims, demands, and causes of action asserted by any person (including, without limitation, Agency employees, officers, commissioners, managers, employees, agents, and representatives) for personal injury or death, or for loss of or damage to property that results from Contractor's negligence or willful misconduct hereunder. Where personal injury, death, or loss of or damage to property is the result of the joint negligence or misconduct of Contractor and Agency, Contractor's duty of indemnification shall be in proportion to its allocable share of such joint negligence or misconduct. This indemnification obligation shall terminate one year after the end of any warranty period specified in this Agreement, plus any extension thereof. Contractor will reimburse Agency for all liabilities, costs, attorney's fees, expenses and losses incurred by Agency in consequence of any claims, demands, and causes of action which may be brought against Agency arising out of the performance or non-performance by Contractor of this Agreement. Notwithstanding anything to the contrary contained herein, Contractor's obligation with respect to indemnification for Agency's property shall not exceed One Million Dollars (\$1,000,000). However, nothing in this section or this Agreement generally shall be construed to require Contractor to indemnify Agency for the sole negligence, willful misconduct, or for defects in design furnished by, the Agency or its employees, officers, commissioners, managers, employees, agents and representatives. The indemnification provided under this Section 5.1 shall be in addition to any other indemnification provisions contained in this Agreement.

5.2 Limitations on Liability. Contractor's liability with respect to claims of any kind (excluding death or personal injury), whether as a result of breach of contract, breach of warranty, tort (including negligence) strict liability or otherwise, for all loss or damage arising out of or in connection with goods sold or services furnished under this Agreement, or any amendment thereto, including remedial warranty work, shall in no case exceed the total compensation set forth in a Purchase Order and paid to Contractor or the amount of applicable insurance limited to the amounts set forth in Section 4, whichever is greater. All such liability shall terminate twenty-four (24) months after completion of the Work on each Purchase Order. In no event shall Contractor or its suppliers, or Agency, be liable, whether as a result of breach of contract or warranty, tort (including negligence), strict liability or otherwise, for special, indirect, incidental, exemplary or consequential damages whatsoever; loss of profits or revenue; or loss of use of equipment or associated equipment, facilities or services; downtime costs (including but not limited to capital cost, fuel cost, and the cost of purchased or replacement power); loss of data; or (solely as to Contractor or its suppliers) claims of members of Agency for such damages and Agency will indemnify Contractor, its employees and suppliers against any such claims for damages by Agency members.

5.3 **Transfer of Title.** Contractor shall be deemed to be in exclusive possession and control of the Goods and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of any Goods, until delivery. For purposes of this Agreement, delivery occurs when Contractor or its agents complete transfer of the Goods into appropriate containers, machinery, storage tanks, or other apparatus identified by Agency. In the event a spill, leak, discharge or release of Hazardous Materials brought to site or negligently caused by Contractor requires notification to a federal, state or local regulatory agency, Contractor shall be responsible for all such notifications.

"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.

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, which shall not be unreasonably withheld or delayed. 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. In the

event of a material change in applicable laws after the date of a Purchase Order, Contractor may request an equitable change to such Purchase Order, subject to the mutual written agreement of the Parties.

- 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.
- 7.4 Prevailing Wage Rates.** If applicable, in accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which 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 for Convenience. Agency may, for its convenience, cancel and terminate this Agreement in whole, or from time to time in part, at any time by written notice thereof to Contractor. Upon any such cancellation and termination Contractor agrees to waive any claims for damages, including loss or anticipated profits, on account thereof. But as the sole right and remedy of Contractor, Agency shall pay Contractor in accordance with Subparagraph B below; provided, however, that the provisions of this Agreement, which by their very nature survive acceptance of the work under this Agreement, shall remain in full force and effect after such cancellation and termination to the extent provided in such provisions.

A. Upon receipt of any such notice, Contractor shall, unless the notice directs otherwise;

1. Immediately discontinue the work on the date and to the extent specified in the notice;
2. Place no further orders or subcontract for materials, services, or facilities, other than as may be necessary for completion of such portion of the work under this Agreement as is not terminated.
3. Promptly make every reasonable effort to procure cancellation upon terms satisfactory to Agency of all orders and subcontracts to the extent they relate to the performance of work terminated; and
4. Assist Agency as specifically requested, in writing, with the maintenance, protection and disposition of property acquired by Agency under this Agreement.

B. Upon any such termination, Agency will pay an amount to Contractor determined in accordance with the following (without duplication of any item):

1. All amounts due and not previously paid to Contractor for work satisfactorily completed or in progress in accordance with this Agreement prior to such notice;
2. The contract price for work thereafter satisfactorily completed as specified in such notice;

3. The cost of settling and paying fair and reasonable claims arising out of the termination of work under subcontracts or orders as provided in Subparagraph A.(3) above; provided, however that this cost shall not exceed the amount specified in the applicable Purchase Order;
 4. The reasonable costs incurred pursuant to Subparagraph A.(4) above.
- C. If Contractor is not satisfied with the payment made hereunder, it may file a claim with Agency for a decision pursuant to this Agreement. Acceptance by Contractor of such payment shall have the same effect as acceptance of the final payment made pursuant to this Agreement.
- 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, and, after written notice of breach from Agency, fails to cure such breach within a reasonable time period not to exceed ten (10) days (or such other period as agreed upon by the Parties), 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.
- 8.5 Options upon Breach by Agency.** If Agency materially breaches any of the terms of this Agreement and, after written notice of breach from Contractor, fails to cure such breach within a reasonable time period not to exceed ten (10) days (or such other period as agreed upon by the Parties), Contractor's remedies shall include, but not be limited to, the following:
- 8.5.1** Immediately suspend its performance;
 - 8.5.2** Immediately terminate this Agreement.

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 from Agency pursuant to this Agreement and that are intended as a deliverable 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 on a time and material basis for a period 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 reasonably required to verify such time and material charges 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 this 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 Project Site Locations. The Project site at which Contractor may perform Work under this Agreement shall include any facilities owned and/or operated by the Agency.

10.2 Operations at the Project Site. Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; and other contractors at the Project site and to participate in the protection of 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. Contractor shall place any such waste, materials, or rubbish in receptacles provided by Agency; provided, however, that Contractor shall provide Agency with safety data sheets applicable to any Hazardous Materials before placement in Agency receptacles.

- 10.3 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Agency will not be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by Contractor. Any transportation furnished by Agency shall be solely as an accommodation and Agency shall not 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 provided by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new, unless otherwise agreed in writing by the Parties, and in good condition.
- 10.4 Use of Agency Equipment.** Contractor shall assume the risk of damage to and is solely responsible for its use of any equipment owned and property provided by Agency for the performance of Work.

Section 11. WARRANTY.

- 11.1** The Work will be performed in accordance with this Agreement and will fulfill the requirements of this warranty, and any other warranty therefor, included in this Agreement. Contractor shall and does hereby warrant that the Work provided hereunder will conform to this Agreement. Contractor shall and does hereby further warrant that the Work will be free of defects in workmanship and materials.
- 11.2** If during the Warranty Period (as defined below), any of the Work is found to be defective or not in accordance with this Agreement, Agency shall so notify Contractor in writing.

11.2.1 For Work on combustion turbines, "Warranty Period" shall mean:

For parts supply or repair: (a) 12,000 Factored Fired Hours, (b) 600 Factored Fired Starts, (c) 24 months from date of original installation or repair, or (d) 30 months from date of shipment, whichever occurs first.

For field service: (a) 12,000 Factored Fired Hours, (b) 600 Factored Fired Starts, or (c) 24 months from date of original service, whichever occurs first.

For purposes of this Section 11.2.1:

“Factored Fired Hours” shall mean the weighted number of hours that each unit is operated consisting of the actual number of fired hours of operation adjusted on account of conditions applicable during those hours of operation in accordance with applicable OEM (original equipment manufacturer) reference documents.

“Factored Fired Starts” shall mean the weighted number of starts that each unit experienced during operation consisting of the actual number of starts or trips adjusted on account of conditions applicable during those starts or trips in accordance with applicable OEM (original equipment manufacturer) reference documents.

11.2.2 For all other Work, “Warranty Period” shall mean:

For parts supply or repair: (a) 24 months from date of original installation or repair, or (b) 30 months from date of shipment, whichever occurs first.

For field services: 24 months from date of original service.

- 11.3** Promptly upon receipt of such notification, Contractor shall, without cost to Agency, proceed with such replacement or corrections of the Work as are necessary in order to make it comply with this Agreement. Contractor shall also bear the cost of making good work of separate contractors destroyed or damaged in such replacement or correction.
- 11.4** In the event of a defect, Agency shall provide clear access to the defective work at the site. For purposes of this section, “access” shall mean an opportunity or ability to enter, approach, or pass to and from defective work. “Access” shall not include any uncovering, disassembly or reassembly of parts or hardware required for Contractor to perform Contractor’s warranty obligations to the extent that such uncovering, disassembly or reassembly of parts or hardware was within Contractor’s original scope of work. If any uncovering, disassembly or reassembly of parts or hardware is necessary for Contractor to perform its warranty obligations, Contractor shall reimburse Agency for any costs or expenses related to such uncovering, disassembly or reassembly or parts or hardware if such uncovering, disassembly or reassembly of parts or hardware was within Contractor’s original scope of work.
- 11.5 THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, AND IN PARTICULAR CONSEQUENTIAL DAMAGES ARE EXPRESSLY EXCLUDED.**

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all Contractor 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 (1) at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12, until such noncompliance is corrected, or (2) for any Work performed after Agency has provided notice to Contractor that Contractor is not in full compliance with this Section 12 but before Contractor has corrected the noncompliance.
- 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.

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. Such monitoring and/or sampling shall be at additional cost to Agency, unless the hazardous or toxic substances or environmental conditions were caused by Contractor, in which case Contractor shall bear such costs. Copies of any sampling results will be forwarded to the Agency site safety representative upon request. Prior to work being performed at the Project site, Agency shall identify any known hazardous materials.

- 12.6** Contractor shall develop a plan to properly handle any hazardous wastes Contractor generates in performing the Work, and shall dispose of such hazardous wastes in accordance with Section 13.16 of this Agreement.
- 12.7** 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.

12.8 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials to include diesel fuel used for trucks owned or leased by the Contractor.

12.9 [Intentionally left blank.]

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. Notwithstanding, both Parties waive their right to trial by jury.

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:

Chris Wilkinson, Vice President – Major Maintenance Americas
EthosEnergy Power Plant Services, LLC
Brookhollow Central I
2800 North Loop West, Suite 1200
Houston, TX 77092
(713) 812-2308

With a copy to:

Abby Yates, General Counsel
Abby.yates@ethosenergygroup.com

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, 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.

13.16 Asbestos and Hazardous Materials. Agency represents that all areas of the Agency's facility where any Work is to be performed, or where Contractor or its supplier's personnel are to be present, are free of materials containing or presumed to contain asbestos. In no case will Contractor or its supplier's personnel be required to work in such areas unless and until asbestos and/or presumed asbestos-containing material is removed by Agency at its sole expense, and Contractor is granted an Amended Purchase Order equitably adjusting its payment and schedule for the impact arising out of or resulting from the foregoing (including demobilization and remobilization or personnel). Contractor shall likewise be entitled to an Amended Purchase Order to the extent resulting from the presence of any hazardous waste, toxic or similar materials regulated under applicable law ("Hazardous Materials") that may be present at Agency's facility where any Work is to be performed. Hazardous Materials handled or utilized by Contractor at Agency's facility, if any, will be deposited by Contractor in Agency-supplied containers at such facility. Agency shall have responsibility for storing, transporting, and disposing of such materials in accordance with applicable law. Agency shall indemnify, save harmless and defend Contractor against all damages arising out of or relating to Hazardous Materials which are (i) present in or about Agency's equipment or the site prior to the commencement of Contractor's work; or (ii) improperly handled or disposed of by Agency or Agency's employees, agents, contractors or subcontractors.

13.17 Force Majeure.

13.17.1 If a Force Majeure Event prevents either Party from performing any obligation under this Agreement, that inability to perform will not constitute breach, and the schedule for performance will be extended, if the Party asserting the Force Majeure Event ("Asserting Party") uses reasonable efforts to perform its obligations, and (2) complies with its obligations under Section 13.17.3..

13.17.2 Under the terms of this Agreement, "Force Majeure Event" means an event which is not within the reasonable control of the Asserting Party and is not a result of the Asserting Party's failure to act or its negligence. To the extent such event satisfies the foregoing criteria, Force Majeure Event may include without limitation: acts of God, strikes, lockouts, other industrial disturbances, acts of the public enemy, laws and regulations, wars or war-like action (whether actual, impending or expected and whether de jure or de facto), arrests or other restraints of governments (civil or military), blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, civil disturbances, explosions, breakage or accident to equipment or machinery, confiscation or seizure by any government or public authority, nuclear reaction or radiation, radioactive contamination, or any other material causes, whether of the kind herein enumerated or otherwise. Notwithstanding the foregoing, and for the avoidance of doubt, the following shall not be considered Force Majeure Events: economic hardship; lack of money or credit; failure to pay amounts when due; loss of profit or loss of return on

investment; loss of use; changes in commodity prices and/or the price of materials, fuel, or supplies; changes in labor costs, wages, and benefits; changes in exchange rates; or inability to perform and complete the Work for the applicable price under Exhibit B.

13.17.3 Except as specifically provided otherwise in this Agreement, if a Force Majeure Event occurs, the Asserting Party shall promptly, after it becomes aware of the occurrence of the event, and in any event no more than five (5) days after the Asserting Party becomes aware of such occurrence, notify the other Party of the occurrence of that Force Majeure Event, its effect on performance, and how long the Asserting Party expects it to last. Thereafter the Asserting Party shall update that information as reasonably necessary. During a Force Majeure Event, the Asserting Party shall use reasonable efforts to resume its performance under this Agreement.

13.17.4 If the Force Majeure Event continues for more than three (3) months, either Party may give written notice to the other to terminate the Agreement. The notice to terminate must specify the termination date, which must be not less than seven (7) days after the date on which the notice is given.

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

NORTHERN CALIFORNIA POWER AGENCY

ETHOS ENERGY POWER PLANT SERVICES,
LLC

Date _____

Date _____

RANDY S. HOWARD, General Manager

**CHRIS WILKINSON, Vice President of
Major Maintenance (Americas)**

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

EXHIBIT A

SCOPE OF WORK

Ethos Energy Power Plant Services, LLC (“Contractor”) shall provide the following services for the Northern California Power Agency (“Agency”) at its facilities:

- Inspections
- Maintenance
- Parts Refurbishment

Contractor may also supply goods at a mutually agreed price.

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

A. NCPA Area 1 Geysers and Alameda – Jan. 1, 2017 thru Dec. 31, 2017

Hourly Rates	Straight Time	Overtime	Double Time
Shift	Days/Nights	Days/Nights	Days/Nights
Project Manager	\$124.00	\$163.00	\$203.00
General Foreman	\$121.00	\$159.00	\$196.00
Working Foreman	\$118.00	\$155.00	\$192.00
Journeyman Millwright	\$114.00	\$148.00	\$182.00
8 th Period Apprentice	\$110.00	\$143.00	\$175.00
7 th Period Apprentice	\$107.00	\$137.00	\$168.00
6 th Period Apprentice	\$103.00	\$132.00	\$161.00
5 th Period Apprentice	\$99.00	\$127.00	\$154.00
4 th Period Apprentice	\$83.00	\$108.00	\$134.00
3 rd Period Apprentice	\$79.00	\$103.00	\$127.00
2 nd Period Apprentice	\$70.00	\$93.00	\$115.00
1 st Period Apprentice	\$63.00	\$84.00	\$104.00
Shop Field Support	\$114.00	\$148.00	\$182.00
Machine/Fabrication Shop	\$118.00	\$155.00	\$192.00

B. NCPA Area 3 NF Stanislaus, Upper Utica Project, Lodi Plants – Jan. 1, 2017 thru Dec. 31, 2017

Hourly Rates	Straight Time	Overtime	Double Time
Shift	Days/Nights	Days/Nights	Days/Nights
Project Manager	\$124.00	\$163.00	\$203.00
General Foreman	\$121.00	\$159.00	\$196.00
Working Foreman	\$118.00	\$155.00	\$192.00
Journeyman Millwright	\$108.00	\$140.00	\$171.00
8 th Period Apprentice	\$105.00	\$135.00	\$165.00
7 th Period Apprentice	\$102.00	\$130.00	\$158.00
6 th Period Apprentice	\$98.00	\$125.00	\$152.00
5 th Period Apprentice	\$95.00	\$120.00	\$146.00
4 th Period Apprentice	\$79.00	\$102.00	\$126.00
3 rd Period Apprentice	\$75.00	\$97.00	\$120.00
2 nd Period Apprentice	\$67.00	\$87.00	\$108.00
1 st Period Apprentice	\$60.00	\$79.00	\$98.00
Shop Field Support	\$108.00	\$140.00	\$171.00
Machine/Fabrication Shop	\$118.00	\$155.00	\$192.00

NOTES:

- These rates include wages, benefits, payroll taxes, workers' compensation, overhead, all tools except special tools and equipment, product liability, general automotive liability and all other required insurances, permits and taxes. This does not include state sales or use taxes.
- Apprentices may be used on any crew consisting of at least three workers subject to their qualifications and availability.
- All service trucks will be billed at sixteen dollars (\$16.00) per hour to cover the cost of the truck, maintenance and fuel.
- Consumables, such as gloves, cleaning solvents, penetrating oil, PPE (hard hats, safety glasses, ear plugs), rags, tape, parts buckets, etc. Will be billed at twenty dollars (\$20.00) per day per worker on the time sheet.
- Overtime shall be charged for all work over eight (8) hours a day and for all work performed on Saturdays.
- Double time shall be charged for all work performed on Sundays or the following holidays: New Years Day, Martin Luther King's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day.
- Travel time for transferred employees will be charged on a straight time basis for actual hours traveled if applicable. Subsistence for non-local labor will be charged at the rate of \$125.00 (includes hotel cost) per day, per worker. Subsistence will be paid to employees living 75 miles or more from the job site.
- There shall be a minimum four-hour charge per worker at the applicable rate for show-up time whether work is performed or not. There shall be a minimum eight-hour charge per worker at the applicable rate if he or she works more than four hours.
- All additional materials, rentals, freight, 3rd-party subcontracts, transportation, and travel expenses shall have a fifteen percent (15%) handling charge.
- Area 1: Counties of: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.
- Area 2 and Area 3: Counties of: Monterey, San Benito, Santa Cruz, Sacramento, Yolo, San Joaquin, Western Placer* And Western El Dorado." (Western Placer County includes territory west of and including Highway 49; Western El Dorado County includes territory west of and including Highway 49 and territory inside the city limits of Placerville.)
- After Dec. 31, 2017, prices listed above are subject to one annual change based on market rate, with a minimum of thirty (30) days' prior written notice to the Agency.
- Contractor shall provide pricing for any services or goods not specified above upon the issuance of individual Purchase Orders. The Parties shall mutually confirm the pricing for any such services or goods in writing prior to commencement of the Work.
- As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

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

ETHOS ENERGY POWER PLANT SERVICES, LLC

(Company name)

for contract work at

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

EXHIBIT D – 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,

ETHOS ENERGY POWER PLANT SERVICES, LLC

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 __.

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

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

DATE: September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Ford Construction Company, Inc. – Five Year Multi-Task General Services Agreement for maintenance tasks including earthwork, asphalt patch and paving, minor concrete patching and tunnel maintenance; Applicable to the following projects: All NCPA Facility Locations (with exception of the Lodi Energy Center), NCPA 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>		

RECOMMENDATION:

Approval of Resolution 17-77 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Ford Construction Company, Inc. for maintenance services to include earthwork, asphalt patching, utility easement work, minor road maintenance and tunnel maintenance, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years. This contract would be available for use at all facilities owned and/or operated by NCPA (with exception of the Lodi Energy Center), NCPA Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members.

BACKGROUND:

Ford Construction Company has been providing maintenance and other contract services to NCPA Hydroelectric facilities for a number of years. This enabling agreement would extend the contract for use related to project support at all facilities owned and/or operated by NCPA (with exception of the Lodi Energy Center), NCPA 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 \$3,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has in place (other enabling agreements) for similar services and seeks bids from as many qualified providers as possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on September 6, 2017 and was recommended for Commission approval on consent calendar.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments:

- Resolution
- Multi-Task General Services Agreement with Ford Construction Company, Inc.

RESOLUTION 17-77

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH FORD
CONSTRUCTION COMPANY, INC**

(reference Staff Report #199:17)

WHEREAS, maintenance services, including earthwork, asphalt patch and paving, minor concrete patching, and tunnel maintenance, are periodically required at all facilities owned and/or operated by Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Ford Construction Company, Inc. is a provider of these maintenance 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 Ford Construction Company, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years for maintenance services for use at all facilities owned and/or operated by NCPA (with the exception of the Lodi Energy Center), NCPA 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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
FORD CONSTRUCTION COMPANY, INC**

This Multi-Task General Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Ford Construction Company, Inc. a corporation with its office located at 300 W. Pine Street, Lodi, CA 95240 ("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** three million dollars (\$3,000,000) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, 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.** Intentionally omitted.

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 have the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.6 **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 – Not Applicable.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** Intentionally omitted - Not Applicable
- 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 both of the Parties.

- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

- 8.4 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;

8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or

8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Contractor's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

9.2 Contractor's Books and Records. Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.

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

9.4 Confidential Information and Disclosure.

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

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in

confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

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

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

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

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

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

Section 10. PROJECT SITE.

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

equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.

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

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

Section 11. WARRANTY.

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

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

reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

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

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

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

conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.

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

Section 13. MISCELLANEOUS PROVISIONS.

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

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

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

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

Nicholas B. Jones
President
Ford Construction Company, Inc.
300 W. Pine Street
Lodi, CA 95240

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

FORD CONSTRUCTION CO, INC.

Date _____

Date _____

RANDY HOWARD, General Manager

NICHOLAS B. JONES, President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

EXHIBIT A

SCOPE OF WORK

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

- a) Superficial concrete patching / maintenance;
- b) Minor dam maintenance;
- c) Minor road / drainage maintenance;
- d) Minor utility easement maintenance.

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

No project under this agreement shall include work that would qualify as a Public Works Project under the guidelines established by the State of California.

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 for services to be provided at NCPA facilities is attached in pages 19-22 hereof. The rates set forth therein are valid from August 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 SCPA locations will be quoted at the time services are requested.

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



**PRIVATE EXTRA WORK RATES
2017**

Description	Equipment	Labor	Labor	Labor	Equipment
	Cost Bare	ST Cost	OT Cost	DT Cost	Operated ST
	\$/HR	\$/HR	\$/HR	\$/HR	\$/HR
—BLADES—					
Blade 140 M	88				
Blade 14G	98				
Blade 14 M equals a 16H	130				
—BACKHOES—					
Backhoe 418	48				
Backhoe 448	64				
450 Backhoe	75				
4500# Breaker Attachment	65				
—CRANES—					
RT Crane 22 Ton P&H	86				
Boom Truck 22 Ton	23				
—COMPACTORS—					
825	172				
834 Rubber Tire Dozer	189				
CP 323 50" Pad Foot	57				
CP 583 84" Pad Foot	70				
CS 583 84" Smooth Drum	64				
CS 583 84" Smooth Drum	81				
CB214E Smooth Drum Paving	34				
CS768 w/shell kit	88				
Wacker	16				
VibPlate	16				
Rammex	23				
—DOZERS—					
D4 LGP w/ Winch	77				
D5N XL	85				
D6 H, M or T	95				
D6 LGP H, R or T	99				
D8R or T	177				
D10R & T	306				
D7G AG w/ Disk No Dozer	101				
834 Rubber Tire Dozer	170				
—ROCK DRILLS—					
IR-490 Self Contained Hydro Drill	158				
DMM2	0				
—EXCAVATORS—					
307C	58				
315	74				
320 Long Reach	83				
321	83				
330	100				
345	151				
349	222				
375	267				
5000# breaker	78				

JULY 1, 2017 - JUNE 30, 2018 TB400
Proprietary/Confidential Information

REV SEPT 2016

1 of 4



**PRIVATE EXTRA WORK RATES
2017**

Description	Equipment	Labor	Labor	Labor	Equipment
	Cost Bare	ST Cost	OT Cost	DT Cost	Operated ST
	\$/HR	\$/HR	\$/HR	\$/HR	\$/HR
12000# breaker	150				
— FORK LIFTS —					
ForkLift 8000 lb	46				
ForkLift 10000 lb	53				
ForkLift Telescopic	40				
Boomlift 4x4	65				
— LOADERS —					
Bobcat Minitrack Loader	26				
JD-310 Skip	39				
299C Skid Steer	60				
248B or 257B Skid Steer	42				
Loader-IT 28	62				
Loader-950	87				
Loader-980	120				
Loader-988	176				
— MISC EQUIP —					
Vacuum Truck	256				
Vacumn Trailer	69				
P&H Crane 22 Ton	70				
Laymor Broom	33				
Challenger MT 945	184				
— SCRAPERS —					
Scraper-615C	103				
Scraper-623F	156				
Scraper-627F	215				
Scraper-637E	287				
Scraper-657 E or G	369				
— SMALL EQUIP —					
Air—185 cfm Comp	26				
1"-4"- Fusion Eqmt	12				
6"-18"-Fusion Machine	48				
3500 w Genset	14				
25-kw GenSet	39				
80-kw GenSet	55				
125-kw GenSet	70				
GPS Base Station	9				
GPS Rover Back Pack	11				
GPS Equipment Unit	25				
GPS Repeater Radio	2				
Laser	13				
Light Plant	20				
3"-Pump Subm	8				
4"-Pump Subm - Electric	11				
3"-Trash Pump	15				
4"-Trash Pump	28				
6" Godwin Diesel Pump	57				

REV SEPT 2016

JULY 1, 2017 - JUNE 30, 2018 TB400
Proprietary/Confidential Information

2 of 4



**PRIVATE EXTRA WORK RATES
2017**

Description	Equipment	Labor	Labor	Labor	Equipment
	Cost Bare	ST Cost	OT Cost	DT Cost	Operated ST
	\$/HR	\$/HR	\$/HR	\$/HR	\$/HR
8" Pasco Diesel Pump	59				
10" Pump Subm - Electric	41				
Sure Strike	94				
BG, tow behind	7				
Disc, tow behind	65				
---TANKS---					
10 k H2O Tank	8				
Fuel Tanks - UL Approved	7				
---ALL TRUCKS---					
F550 Truck (Bare)	34				
18' Flatbed (Bare)	21				
F550 (w/Tools) LFM	37				
F550 (w/Tools) LP	37				
5yd Dump Truck	64				
F250 Truck (Op-FM)+7 Oper	13				
F150 Truck (Op-GS)	13				
Mule - Kawasaki (OP-GS)	21				
ATV 4x4 (Op-GS)	21				
Hauler-40 ton Articulated	163				
Truck-(Fuel & Lube)	26				
Truck-(Mechanic)	36				
Transport w/andoll	98				
Transport w/Lowbed	98				
Transport w/15' Flatbed	98				
---TRENCHERS---					
Trencher- 6" DH4B	46				
Trench Wheel(Exc)	163				
---H2O PULL/Trucks---					
621 Water Pull	111				
637 Water Pull	129				
Water Trailer	16				
H2O-2k Gal (Bare)	39				
H2O-4k Gal (Bare)	53				
---CRUSH & SCREEN PLANTS---					
Belt Unloader-Ashross	204				
Belt unloader-Small	43				
Jaw / Cone Plant	672				
Cone Crusher Plant	358				
Impact Crusher Plant	434				
Jaw Crusher Plant	477				
Tracked Mobile Jaw Plant	187				
Extec C12 (Track) Jaw Crusher	263				
Extec S6 (Track) 3D Screen	161				
Radial Stacker Belt Self Container	60				
Edge Stacker Belt	91				
Extec Screening Plant E7 (Track) 3D	163				

REV SEPT 2016

JULY 1, 2017 - JUNE 30, 2018 TB400
Proprietary/Confidential Information

3 of 4



**PRIVATE EXTRA WORK RATES
2017**

Description	Equipment	Labor	Labor	Labor	Equipment
	Cost Base	ST Cost	OT Cost	DT Cost	Operated ST
	\$/HR	\$/HR	\$/HR	\$/HR	\$/HR
Production Screening Plants	283				
Dozer Trap	51				
LABOR					
Project Manager		150	188	216	
Project Engineer		104	111	143	
Superintendent		150	188	216	
Secretary		98	85	111	
Lab-Ford Foreman		103	138	174	
Lab-General		85	112	139	
Lab-Pipe		85	112	139	
Lab-Pressure Pipe		87	114	142	
Op-Appr #1		81	102	122	
Op-Appr #2		85	107	129	
Op-Appr #3		88	112	136	
Op-Appr #4		92	117	143	
Op-Appr #5		102	133	163	
Op-Foreman		121	161	200	
Op-Group 2		119	157	195	
Op-Group 3		116	153	190	
Op-Group 4		114	150	185	
Op-Group 5		112	146	181	
Op-Group 6		109	143	177	
Op-Group 7		107	140	173	
Op-Group 8		105	137	169	
Op-Group 8A		102	132	161	
Transport Driver		80	0	0	

Outside Trucking is Cost plus 15%
 Mobilization In/Out is Cost plus 15%
 Materials is Cost plus 15%
 Work requiring a Subcontractor is Cost plus 15%

EXHIBIT C - NOT APPLICABLE

CERTIFICATION

Affidavit of Compliance for Contractors,

(Name of person signing affidavit)(Title)

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

(Company name)

for contract work at:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

EXHIBIT D – 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 established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Agreement for Banking Services between U.S. Bank N.A. and NCPA

AGENDA CATEGORY: Consent

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

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

RECOMMENDATION:

It is recommended the Commission approve Resolution 17-78 authorizing the General Manager or his designee to enter into an Agreement for Banking Services with U.S. Bank, N.A. for a three-year term with an option of two, one-year renewals. The agreement includes fixed pricing for the term (up to five years).

BACKGROUND:

U.S. Bank, N.A. has been providing banking services to the Agency for the last several years pursuant to the Master Services Agreement (Governmental Entities) and Deposit Account Agreement between the parties and staff has been very pleased with its services. Upon a review with the bank’s Relationship Manager and the Agency’s CFO and Treasurer-Controller, it came to the Agency’s attention that a specific contract setting forth the pricing structure for depository services, wire transfers, ACH and related banking services did not exist. In that discussion, the bank reviewed the current pricing structure and agreed to decrease the per item pricing of several services and increase the Earnings Credit Rate (ECR) from 0.22% to 0.60% for compensated balances in exchange for agreeing to a three-year term. The proposed fee structure was reviewed with a member agency that uses U.S. Bank for their banking services and the proposed fees and ECR credit are in-line with their pricing with minor differences.

One of the bank’s main expenses consists of a Deposit Coverage charge that is based on the Agency’s average collected balance for the month. This charge is essentially a variable rate charge; the more money an Agency holds as a collected balance, the higher the fee. The objective of minimizing this expense is finding the right amount to keep on hand at all times- commonly referred to as a ‘PEG’ balance- to offset all monthly fees. Furthermore, any amount in excess of a PEG balance is automatically swept into a money market account (nightly) earning interest and avoiding the Deposit Coverage charge. Historically, the Agency has not set a PEG balance since the ECR rate was so low. Large balances were needed to offset fees and in addition, any credit in excess of the monthly fees was essentially lost (not realized). The following table illustrates this analysis.

Current Pricing

June Statement			
Collected Balance			34,432,793 (A)
Earnings Credit @ 0.22%	(A) * 0.22% / 12		6,226 (B)
Service Charge	SEE BELOW		5,331 (C)
Lost Interest	(B) - (C)	\$	895
Service Charge	Volume	Avg Unit Price	Total Charge
Deposit Coverage	34,549	0.12131	4,191
All other Services	varies	varies	1,140
Total Service Charge			5,331

As mentioned earlier, the bank has agreed to move the ECR rate from 0.22% to a minimum amount of 0.60%. With this new rate increase and several other pricing adjustments, the Agency can set a PEG balance closer to \$2.5 - \$3 million and still offset all fees. The following table details this analysis.

Proposed Pricing and Adjustments

Proposed Pricing			
Collected Balance (PEG)			2,500,000 (A)
Earnings Credit @ 0.60%	(A) * 0.60% / 12		1,250 (B)
Service Charge	SEE BELOW		1,150 (C)
Lost Interest	(B) - (C)	\$	100
Service Charge	Volume	Avg Unit Price	Total Charge
Deposit Coverage	2,500	0.12131	303
All other Services*	varies	varies	847
Total Service Charge			1,150
*per item adjustments from US Bank			

With the proposed adjustments from the bank, balances in excess of the PEG are still needed to cover daily operational cash flow needs. However, these balances can now move into a nightly money market 'Sweep' account and earn interest at 0.60% and are available the next day for any operational needs. All the daily activity (debits and credits) are netted and any amounts in excess of the PEG balance are then swept back into the money market. This process is automatic and happens daily by the bank. Staff is estimating that holding a daily average balance of \$20 million (in excess of the PEG balance) will generate approximately \$10,000 per month or \$120,000 per year in new interest earnings.

New Interest Income

SWEEP			
Average balance in excess of PEG			20,000,000 (A)
Monthly Interest Earnings @ 0.60%	(A) * 0.60% / 12	\$	10,000 (B)
Per Year (new interest income)	(B) * 12 months	\$	120,000

Prior to the expiration of the three-year agreement, staff will request direction from the Finance Committee (and subsequent Commission approval) about renewing the contract for another year or issue an RFP for banking services.

The updated pricing sheet is included as Exhibit A to the attached proposed Agreement.

FISCAL IMPACT:

The three-year term will include a fixed pricing structure and most of the savings (or new interest income) will be due to an increase in the ECR, the setting of a PEG balance, a decrease in pricing of various expense items, and the creation of a money market 'Sweep' account. The result of these actions is estimated to add at least \$10,000 per month or \$120,000 per year in new interest income to Members and Non-Members and still offset the U.S. Bank banking fees.


ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation was reviewed by the Finance Committee on September 18th and was recommended for Commission approval.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments: Resolution 17-78
Agreement for Bank Services

RESOLUTION 17-78

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO ENTER INTO AN
AGREEMENT FOR BANKING SERVICES WITH U.S. BANK, N.A. FOR A THREE-YEAR
TERM WITH AN OPTION OF TWO, ONE-YEAR RENEWALS

(reference Staff Report #202:17)

WHEREAS, U.S. Bank, N.A. (Bank) has been providing banking services to the Agency pursuant to the
Master Services Agreement (Governmental Entities) and Deposit Account Agreement between the parties; and

WHEREAS, Agency desires to enter into a specific Agreement for Banking Services to confirm the pricing
structure for depository services, wire transfers, ACH and related banking services; and

WHEREAS, Bank reviewed the current pricing structure and agreed to decrease the per item pricing of
several services and increase the Earnings Credit Rate (ECR) for compensated balances; and

WHEREAS, the proposed Agreement for Banking Services includes a three year term with an option of
two, one-year renewals and fixed pricing for up to five years; and

WHEREAS, as a result of the savings (new interest income) from the increase in the ECR, decrease in
other expense items, and changes in handling of the accounts including creation of a money market 'Sweep'
account, staff estimates at least \$10,000 per month or \$120,000 per year in new interest income will be realized
to Members and Non-Members; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency
authorizes the General Manager or his designee to enter into the Agreement for Banking Services with U.S.
Bank, N.A. for a three-year term with an option of two, one-year renewals, with any non-substantive changes
as approved by the NCPA General Counsel.

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

Table with 4 columns: Name, Vote, Abstained, Absent. Rows include Alameda, BART, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Port of Oakland, Redding, Roseville, Santa Clara, Shasta Lake, Truckee Donner, Ukiah, Plumas-Sierra.

BOB LINGL
CHAIR

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY

**AGREEMENT FOR BANK SERVICES BETWEEN
U.S. BANK, N.A. AND NORTHERN CALIFORNIA POWER AGENCY**

This Agreement is made this day of _____, by and between Northern California Power Agency ("NCPA"), a public agency organized as a California joint powers authority, and U.S. Bank National Association ("BANK").

WITNESSETH:

WHEREAS, NCPA has a need for banking services which BANK is willing to provide; and

WHEREAS, NCPA proposes from time to time to deposit in BANK monies in the custody of the Treasurer in an aggregate amount on deposit at any one time not to exceed the total of the shareholders equity and surplus of BANK; and

WHEREAS, said monies shall be deposited subject to this Agreement, and Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Paragraph 53630) of the Government Code of the State of California; and

WHEREAS, the provisions of Government Code Paragraph 53649 allow the General Manager, on behalf of NCPA, to enter into a contract with BANK setting forth the conditions upon which said monies are deposited; and

WHEREAS, in the judgment of NCPA and Treasurer, this Agreement is in the public interest; and

WHEREAS, BANK is ready, willing and able to perform the services required by this Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Term. The term of this contract will be three (3) years for a period commencing on _____ and ending on _____ with an option to renew annually thereafter. With a projected contract term of three (3) years, BANK will provide fixed pricing for this term and for two

additional one (1) year extensions. In the event NCPA desires to exercise an option to renew beyond three (3) years, NCPA will provide such notice to BANK within sixty (60) days of contract expiration. Should NCPA desire to continue services with BANK after five (5) years, the BANK shall not increase the price more than 10% for year six (6). BANK reserves the right to review pricing for year six (6) and thereafter. BANK will provide pricing within thirty (30) days of such request.

2. **Description of Services.** NCPA requires and BANK shall provide the following services:

- A. BANK will permit deposits to be withdrawn by NCPA in accordance with applicable Federal and State statutes, rules and regulations. The earnings credited to NCPA's accounts will be applied towards the services performed by BANK for NCPA. In the event a shortfall occurs, the amount will be automatically debited at the time of monthly settlement.
- B. In the event NCPA determines the need for additional accounts or services by BANK during the term of this contract period including any extensions, NCPA will so direct BANK to establish accounts. BANK will provide pricing for additional services to NCPA within thirty (30) days of said request.
- C. BANK shall perform the services in the manner and according to the standards observed by a competent provider of banking services. BANK represents that it is licensed, qualified and experienced to provide banking services to NCPA.

3. **Payment.**

- A. The fees and charges to be paid by NCPA pursuant to the terms of this Agreement shall not exceed those set forth in Exhibit "A," which is attached hereto and incorporated herein by this reference. Fees are to be fixed for the initial three (3) year term and two (2) one year extensions of the initial term of this Agreement.

- B. BANK shall submit to a NCPA designee, a monthly analysis of account activity and charges. The analysis shall be submitted within fifteen (15) working days of the month following the period covered by the analysis.
 - C. Payment of fees and charges shall be made to BANK through earnings of NCPA in the Checking Accounts outlined in Paragraph 2(A).
4. **Independent Contractor.** BANK is an independent contractor and under no circumstances shall BANK be considered an agent or employee of NCPA. Neither BANK nor its employees shall be entitled to any benefits payable to employees of NCPA.
5. **Compliance with Laws.**
- A. BANK shall observe and comply with all Federal, State of California, and local laws, rules, and regulations which pertain to this Agreement, and are applicable to BANK.
 - B. This Agreement shall be construed in accordance with and governed by the Laws of the State of California. Any action arising out of this Agreement shall be filed in the County of Sacramento, California, regardless of where else venue may lie.
 - C. In any action arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees.
6. **Conflict of Interest.** BANK shall not employ any NCPA official in the work performed pursuant to this Agreement. No officer or employee of NCPA shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
7. **Validity.** This Agreement is severable. The validity in whole or in part of any provision of this Agreement shall not be void or affect the validity of any other provision.
8. **Waiver.** No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. Failure of either

party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

9. **Captions and Paragraph Headings.** Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it.
10. **Notice.** Any notices herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, first class postage prepaid and addressed as follows:

NCPA

Monty Hanks
Assistant General Manager/CFO
Administrative Services Division
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

BANK

Charline M. Botelho
VP, Relationship Manager
U.S. Bank, N.A.
Government Banking Division
621 Capitol Mall, Suite 800
Sacramento, CA 95814

With copy to:

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

The address to which notices shall or may be mailed by either party may be changed by written notice by such party to the other party. Nothing shall preclude the giving of notices by personal service.

11. Termination.

- A. This Agreement may be terminated by NCPA at any time before its expiration with General Manager approval with a 60 day notice to US Bank.
- B. Termination for cause will be due to non-performance by BANK. If BANK is not performing to the requirements of this contract, NCPA will give written notice of non-performance to BANK. BANK will have ninety (90) days to correct non-performance. If BANK fails to correct area(s) of non-performance, NCPA may then terminate this contract for cause. Termination of the Agreement for cause by NCPA shall be effected by written notice to BANK at least sixty (60) days prior to termination. The termination notice shall specify the date upon which such termination becomes effective.
- C. In the event of termination, BANK shall process all payments to NCPA that have been received by BANK prior to the effective date of termination or such other date upon which the parties may mutually agree.

12. Integration. This Agreement and the BANK's Master Services Agreement, Services Terms and Conditions, and Deposit Account Agreement (as the same may be amended from time to time), constitute the complete and exclusive statement of understanding between the parties, which supersedes all previous Agreements, written or oral, and all other previous communication between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the undersigned have affixed their signatures in execution hereof, on this _____, and BANK has caused this Agreement to be executed.

NORTHERN CALIFORNIA POWER AGENCY

BY: _____

Randy S. Howard, General Manager

Approved as to form:

Jane E. Luckhardt, General Counsel

U.S. BANK NATIONAL ASSOCIATION

BY: _____

Charline Botelho, VP

EXHIBIT A



Northern California Power Agency

Pricing Effective 7/1/2017

ECR Rate

ECR Floor of 60 bps. Rate to fluctuate once U.S Bank ECR exceeds floor rate.

Service Charge Fee Detail

<u>AFP</u>	<u>Service</u>		<u>Unit Price</u>
Depository Services			
010000	Account Maintenance	\$	2.50
010101	Paper Credits	\$	1.00
010101	Electronic Credits	\$	0.05
010100	Paper Debits	\$	0.05
010100	Electronic Debits	\$	0.05
010102	Combined Transactions/Items	\$	0.00
150101	Reject Checks Paid	\$	0.00
150101	For First 50 Per Acct	\$	0.00
150101	For Over 50 Per Acct	\$	0.40
100224	Deposited Item	\$	0.17
100400	Returned Deposited Items	\$	3.00
100405	Returned Item Special Instruc	\$	0.00
100405	For First 1	\$	3.00
100405	For Over 1	\$	5.00
000230	Deposit Coverage	\$	0.14575
151380	Statement with Checks	\$	5.00
150240	Check Filter Monthly Maint	\$	5.00
150420	Manual Stop Payment-24 Months	\$	12.50
151380	Statement - Number of Items	\$	0.00
151380	For First 100 Per Acct	\$	0.00
151380	For Over 100 Per Acct	\$	0.04
Account Reconciliation Services			
150030	SP Positive Pay Only Maint	\$	3.50
200208	SP Issue Mnt Upload - per File	\$	0.00
200208	For First 5 Per Acct	\$	5.00
200208	For Over 5 Per Acct	\$	0.00
200208	SPE File Upload	\$	0.00
200208	For First 1	\$	6.00
200208	For Next 3	\$	0.00
200208	For Over 4	\$	2.00
150030	SPE PPay w/ Issue Mo Maint	\$	3.50
150120	SPE PPay Only-per Item	\$	0.04
SinglePoint			
400272	SP Current Day Detail-Acct	\$	0.00
400272	For First 1	\$	5.00
400272	For Over 1	\$	0.00
400272	SPE CDay Det & Sum Mo Maint	\$	0.00
400272	For First 10	\$	5.00
400272	For Over 10	\$	5.00
400273	SP Current Day Summary-Acct	\$	0.00

400273	For First 1	\$	40.00
400273	For Over 1	\$	25.00
400272	SP Current Day per Item Det	\$	0.05
400272	SP Current Day per Item Sum	\$	0.05
400272	SP Previous Day Detail-Acct	\$	0.00
400272	For First 1	\$	5.00
400272	For Over 1	\$	0.00
400272	SPE Pday Det & Sum Mo Maint	\$	0.00
400272	For First 1	\$	5.00
400272	For Next 2	\$	0.00
400272	For Next 7	\$	5.00
400272	For Over 10	\$	75.00
400272	SP Previous Day per Item Det	\$	0.04
400272	SP Previous Day per Item Sum	\$	0.04
409999	Account Analysis Report PDF	\$	0.00
409999	For First 1	\$	5.00
409999	For Over 1	\$	0.00
010307	Monthly DDA Statement TXT	\$	2.50
409999	Monthly DDA Statement PDF	\$	2.50
250720	ACH Return and NOC Report		
250720	For First 1	\$	9.00
250720	For Over 1	\$	2.00
250720	ACH Return and NOC Report	\$	0.00
401020	SP Token Monthly Maintenance	\$	1.00
401020	SPE Token Mo Maintenance	\$	1.50
409999	SP Book Transfer Mo Maint	\$	0.00
409999	For First 1	\$	3.50
409999	For Over 1	\$	0.00
409999	SP Book Transfer-per Transfer	\$	0.35
409999	SPE Acct Analysis PDF	\$	0.00
409999	For First 1	\$	5.00
409999	For Over 1	\$	0.00
150410	SP Stop Payments Mo Maint	\$	0.00
150410	For First 1	\$	3.50
150410	For Over 1	\$	0.00
150410	SP Stop Payments-per Stop	\$	0.00
150410	For First 10 Per Acct	\$	7.50
150410	For Over 10 Per Acct	\$	0.00
250000	SP ACH Origination Mo Maint	\$	0.00
250000	For First 1	\$	3.50
250000	For Over 1	\$	0.00
250000	SP ACH Origination Rec Email	\$	0.10
250000	SPE ACH Mo Maintenance	\$	0.00
250000	For First 1	\$	5.00
250000	For Over 1	\$	0.00
250000	SPE ACH Mo Maintenance	\$	0.00
250000	For First 1	\$	0.00
250000	For Over 1	\$	0.00
350000	SPE Wires Mo Maintenance	\$	0.00
350000	For First 1	\$	5.00
350000	For Over 1	\$	0.00
350000	SP Wires Monthly Maintenance	\$	0.00
350000	For First 1	\$	3.50
350000	For Over 1	\$	0.00
150030	SP Positive Pay Monthly Maint	\$	0.00

200201	SP Issue Maint Mo Maintenance	\$	0.00
200201	For First 1	\$	3.50
200201	For Over 1	\$	0.00
409999	Invest Reporting Mo Maint	\$	2.50
409999	Invest Trade Portal Mo Maint	\$	0.00
409999	For First 1	\$	5.00
409999	For Over 1	\$	0.00
409999	SPE Ext Messaging Mo Maint	\$	0.00
409999	For First 1	\$	5.00
409999	For Over 1	\$	0.00
409999	SP External Message Mo Maint	\$	0.00
409999	For First 1	\$	2.00
409999	For Over 1	\$	0.00
409999	SP External User Message Sent	\$	0.00
409999	SP External User Task Sent	\$	0.00

Wire Transfers

350000	Wire Monthly Maint Voice-Pin	\$	0.00
350300	Incoming Fedwire	\$	4.00
350712	Incoming Intl Wire	\$	13.00
350123	Internal Wire Credit	\$	5.00
350124	Internal Wire Debit	\$	5.00
350200	Voice Fedwire Repetitive	\$	14.00
350202	Voice Fedwire Non-Repetitive	\$	20.00
350700	Voice Intl USD Repetitive	\$	25.00
350202	Bank Assist Wire Surcharge - D	\$	35.00
350300	Incoming Fedwire Ctp	\$	4.00
350520	Drawdown Request Inbound	\$	7.00
350100	SP Fedwire Repetitive	\$	4.00
350104	SP Fedwire Non-Repetitive	\$	4.00
350104	SPE Fedwire Non-Repetitive	\$	6.00
350700	SPE Intl USD Non-Repetitive	\$	10.00
350120	SPE Internal	\$	5.00
350412	Wire Advice Mail	\$	3.50
350402	Wire Advice Fax	\$	2.50

ACH Services

250000	ACH Monthly Maintenance	\$	25.00
250120	ACH Originated Addenda Item	\$	0.03
250501	ACH Process Run	\$	5.00
250102	ACH Orig Transit Item	\$	0.00
250102	If 1 - 10000 Per Acct	\$	0.02
250102	If Over 10000 Per Acct	\$	0.03
250102	Same Day ACH Orig Transit Item	\$	0.50
250102	ACH Originated On-US Item	\$	0.00
250102	If 1 - 10000 Per Acct	\$	0.02
250102	If Over 10000 Per Acct	\$	0.03
259999	ACH File Confirmation Email	\$	1.00
250202	ACH Received Item	\$	0.10
251050	ACH Filter Mthly Maint	\$	8.00
250300	Unauth ACH Return - per Item	\$	8.00
250302	ACH Return-per Item	\$	2.00
251070	ACH Notification of Change	\$	3.50
259999	SDA Special Processing	\$	150.00
250102	SP ACH On-US Item	\$	0.05

250102	SP E ACH-per Item	\$	0.17
250102	SPT E SDA TRAN ITEM	\$	1.00
250102	SP ACH Transit Item	\$	0.05
250505	SP ACH Process Run	\$	3.00
251000	UFIC Monthly Maintenance	\$	4.00
300010	ACH Remittance Monthly Maint	\$	0.00
300010	For First 1	\$	20.00
300010	For Over 1	\$	30.00
300221	ACH Remittance Rpt-per Fax	\$	0.75
	Branch Coin/Currency Services		
10001Z	Cash Deposited-per \$100	\$	0.12
100000	Branch Deposit Processing Fee	\$	1.25
109999	Night Dep Processing-per Dep	\$	0.00
	Electronic Deposit Services		
101300	Monthly Maint - per Acct	\$	0.00
101300	For First 1 Per Acct	\$	25.00
101300	For Next 2 Per Acct	\$	25.00
101300	For Over 3 Per Acct	\$	75.00
101300	Monthly Maint - per Wkstr		
101300	For First 1 Per Acct	\$	0.00
101300	For Over 1 Per Acct	\$	35.00
101310	Image Check Item	\$	0.00
101310	For First 100	\$	0.03
101310	For Next 200	\$	0.25
101310	For Over 200	\$	1.00
	International Banking		
10022Z	Un-Encode CAD/USD Item	\$	2.00
	Commercial Sweep		
450020	Commercial Sweep	\$	55.00

IN WITNESS WHEREOF, the undersigned have affixed their signatures in execution hereof, on this _____, and BANK has caused this Agreement to be executed.

NORTHERN CALIFORNIA POWER AGENCY

BY: _____

Randy S. Howard, General Manager

Approved as to form:

Jane E. Luckhardt, General Counsel

U.S. BANK NATIONAL ASSOCIATION

BY: _____

Charline Botelho, VP



Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Approval of Revisions to NCPA's Energy Risk Management Policy

AGENDA CATEGORY: Consent

FROM:	Monty Hanks <i>MH</i> Assistant General Manager/CFO	METHOD OF SELECTION: N/A
Division:	Administrative Services	
Department:	Risk Management	

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:

Staff recommends that the NCPA Commission approve Resolution 17-79 implementing and establishing a revised Northern California Power Agency Energy Risk Management Policy.

BACKGROUND:

The Agency's Energy Risk Management Policy (ERMP) was originally developed in 1998. In 2007, the Commission approved a comprehensive Energy Risk Management Policy and designated the Risk Oversight Committee (ROC) to review and approve the Energy Risk Management Regulations. The regulations expand the roles, strategies, controls and authorities authorized in the Policy to form a comprehensive energy risk management program. The ERMP was most recently updated in 2011.

Prudence and due diligence is required in implementing any and all policies and procedures. NCPA incorporated an annual review process for the Energy Risk Management Policy and Regulations in order to make adjustments in response to changes in business objectives and/or industry norms.

During the current annual review process, NCPA staff and the ROC reviewed the ERMP and proposed some minor changes to make the document consistent with the Energy Risk Management Regulations. Specifically, changes and revisions made were to the "Reporting of Exceptions" section to add language requiring the Energy Risk Manager to notify the ROC and Risk Management Committee (RMC) members of a compliance exception within 48 hours after it is identified.

FISCAL IMPACT:

There is no fiscal impact as a result of the annual review or proposed revision to the Energy Risk Management Policy.

ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation was reviewed by the Risk Oversight Committee on June 29, 2017, and was recommended for Commission approval.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments: Resolution 17-79
Energy Risk Management Policy - redline
Energy Risk Management Policy - clean

SR: 203:17

RESOLUTION 17-79

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING REVISIONS TO THE ENERGY RISK MANAGEMENT POLICY**

(reference Staff Report #203:17)

WHEREAS, NCPA has comprehensive Energy Risk Management Policy and designated the Risk Oversight Committee (ROC) to review and approve the Energy Risk Management Regulations; and

WHEREAS, NCPA incorporated an annual review process for the Energy Risk Management Policy and Regulations in order to make adjustments in response to changes in business objectives and/or industry norms; and

WHEREAS, during the current annual review process, minor changes were proposed to make the document consistent with the Energy Risk Management Regulation; specifically, changes and revisions to the "Reporting of Exceptions" section to add language requiring the Energy Risk Manager to notify the ROC and Risk Management Committee (RMC) members of a compliance exception within 48 hours after it is identified; 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;

WHEREAS, the proposed revisions were reviewed by the Risk Oversight Committee on June 29, 2017, and were recommended for approval by the Commission; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency approves the revisions to the Energy Risk Management Policy and establishes a revised Northern California Power Agency Energy Risk Management Policy.

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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY



Energy Risk Management Policy

Version 2.04.3

Approved

~~June 16~~xx, xx, 2017~~1~~

TABLE OF CONTENTS

1.	Philosophy, Objectives and Scope	1
1.1.	Risk Philosophy	1
1.2.	Business Activities	1
1.3.	Transacting Objectives	<u>22</u>
1.4.	Scope of Policy	<u>22</u>
1.5.	Applicability	<u>33</u>
1.6.	Policy Review and Amendments	<u>33</u>
2.	Risk Strategy & Parameters	<u>33</u>
2.1.	Counterparty Risk Management	<u>33</u>
2.2.	Balanced Load	4
2.3.	Minimum Coverage Requirements	<u>44</u>
2.4.	Diversification of Portfolio	<u>44</u>
2.5.	Purchase to Cover Load Serving Obligations- No Speculation	<u>44</u>
2.6.	Use of Derivatives and Financial Transactions	<u>44</u>
3.	Risk Controls	<u>55</u>
3.1.	Control Principles	<u>55</u>
3.2.	Internal Controls	<u>55</u>
3.3.	Segregation of Duties	<u>55</u>
3.4.	Conflicts of Interest	<u>66</u>
4.	Roles, Responsibilities, & Organization	<u>66</u>
4.1.	NCPA Commission	<u>66</u>
4.2.	General Manager	7
4.3.	Risk Oversight Committee	<u>77</u>
4.4.	Risk Management Committee (RMC)	<u>88</u>
4.5.	Front Office (Planning and Procurement)	<u>99</u>
4.6.	Middle Office (Risk Management Section) Controls and Reporting	<u>99</u>
4.7.	Back Office (Settlements and Recording)	<u>99</u>
4.8.	Auxiliary Functions	<u>99</u>
5.	Authorities, Delegations, Limits and Prohibitions	<u>1040</u>
6.	Policy Compliance	<u>1040</u>
6.1.	Compliance Exceptions	<u>1040</u>
6.2.	Reporting of Exceptions	<u>1040</u>
6.3.	Audit	<u>1040</u>
7.	Reserves	<u>1144</u>
8.	Systems, Tools and Training	<u>1144</u>
Appendix A - Risk Management Committee Membership		12

1. Philosophy, Objectives and Scope

This Energy Risk Management Policy outlines the philosophies and objectives of NCPA's Commission. The NCPA Energy Risk Management Regulations expand on the roles, strategies, controls and authorities authorized in this policy to form a comprehensive energy risk management program. Energy Risk Management Regulations shall be read in conjunction with this policy.

1.1. Risk Philosophy

The overall goal of NCPA's Energy Risk Management policy is to:

- Serve members' needs subject to Commission approved risk tolerance limits
- Provide as much power supply (generation and transmission) cost certainty for members as possible while maintaining a least cost supply portfolio
- Enhance the value of NCPA assets to meet the financial requirements of project participants
- Limit transfer of risk between members participating in the various Agency power purchase programs and other NCPA members

As a joint action agency, NCPA is in the business of generation, transmission and procurement of energy for the benefit of its member agencies. NCPA's objective is to develop the least cost supply portfolio to meet load requirements of participating members, while maximizing revenues from sales of surplus energy, capacity and other wholesale energy and transmission services (e.g. resource optimization). However, unlike a private-sector entity, NCPA's primary purpose in the power supply business is to serve its members. NCPA's goal is to be a cost hedger for members' load and, is therefore, precluded by this policy from engaging in speculative activities typical to many organizations orientated toward profit maximization.

Agency management recognizes that certain risks are incidental to normal power supply operations and hedging activities. The Agency's policy is to avoid unnecessary risk and to limit, to the extent practicable, any risks associated with normal cost-hedging activities. This document serves as a vehicle to describe and define the limits for activities considered as appropriate for the Agency in a normal course of business.

Due to varying participation levels of members in Agency activities, it is also an overall goal of this policy to implement specific policies and regulations that limit to the maximum extent possible the transfer of risks related to power procurement among and between the various members of NCPA.

1.2. Business Activities

A primary part of NCPA's main business is to procure or produce power supplies, transmission, and reserves to meet member load requirements. The resource (capacity/energy/fuel) supply portfolio consists of physical assets such

as power plants and transmission lines, fixed and variable priced supply contracts of varying lengths and agreements for other related supplies and services needed to ensure reliable delivery of electricity to members.

1.3. Transacting Objectives

The Agency's overall transacting objective is to meet the load requirements of members with an optimized resource supply portfolio. NCPA's objectives when transacting on behalf of its members for the procurement of energy supplies and services are as follows:

- Meet member load requirements including energy, capacity and reserves
- Provide stable rates for members and ultimately their retail customers
- Obtain the best available price for power supply while complying with the requirements of this policy
- Manage Agency assets to optimize value
- Act to limit exposure to extreme market system changes
- Ensure risk protections also cover non-participant members
- Follow effective wholesale counterparty credit management procedures
- Maintain NCPA's investment grade credit rating

1.4. Scope of Policy

This Energy Risk Management Policy (ERMP) addresses risks arising from NCPA's participation in the Western Interconnection energy markets and applies to all transactions (e.g. pool, single member service agreement, within the month and such other arrangements as may be approved by the Commission in the future) for which NCPA enters into on behalf of its members. It does not apply to transactions entered into by the individual members. This ERMP does not address the following types of general property and casualty business risk: fire, accident and casualty; health, safety, and workers' compensation; general liability; and other such typically insurable perils. The term "risk management," as used herein, is therefore understood to refer solely to risks related to participation in wholesale energy markets as herein defined.

The Agency is exposed to three quantifiable risks: load and resource variability (volumetric), cost variability (price), and counterparty credit risk. From the perspective of risk mitigation, the Agency's primary objective is to cover load and optimize the value of assets. Taking risks in order to arbitrage market opportunities, or risks unrelated to the Agency's normal power supply business activities, is not permitted.

The Agency is also exposed to regulatory and operational risks. However, these exposures are not quantifiable as they affect structural change. As a result, these risk categories are managed as separate enterprise risk exposures and are not directly governed by this Energy Risk Management Policy.

This policy prescribes the management organization, authority and processes to monitor, measure and control the risks to which NCPA is exposed in the normal course of business. Specific methodologies used to measure, monitor and control these risks shall be established by the General Manager's Risk Oversight Committee (ROC) in accordance with sound utility practices and included in the Energy Risk Management Regulations.

1.5. Applicability

This ERMP is effective immediately upon its adoption by the NCPA Commission. It applies to NCPA's wholesale supply operations, long-term contracting for energy/capacity/fuel and services, acquisition of generation and transmission resources, credit risk management and other related ancillary activities undertaken by NCPA on behalf of its participating members.

1.6. Policy Review and Amendments

Prudence is required in implementing any and all policies and procedures. Market and industry norms, technology and risk tolerances tend to change over time. Therefore, this policy should be reviewed ~~at least annually, or as necessary~~needed, in order to make adjustments in response to changes in business objectives and/or industry norms. Amendments to this ERMP shall be done only by approved Resolution of the NCPA Commission.

2. Risk Strategy & Parameters

An important aspect of implementing an overall energy risk management policy is the development of related strategies to mitigate all of the related risks associated with energy transacting activities. The key strategies of NCPA are outlined below.

2.1. Counterparty Risk Management

Counterparty risk is defined as the exposure to economic loss resulting from default by a party to a contract (e.g., a *counterparty*). Counterparty risk affects both contracts requiring physical settlement and those specifying monetary settlement. For all fixed price energy transactions, the counterparty must possess at least a BBB- (or equivalent investment grade rating) by a nationally recognized statistical rating organization (NRSRO). Agency staff may consider counterparties with a rating below investment grade, or a counterparty without a NRSRO rating on a case-by-case basis with the approval of the ROC.

Effective wholesale counterparty management and credit analysis is essential to mitigate the counterparty risks associated with commodity transactions in the energy markets. The objective is to preserve the Agency's capital, liquidity, and supply reliability by limiting counterparty credit risk and supplier concentration to acceptable levels. Methodologies to achieve this objective are set forth in the Energy Risk Management Regulations.

2.2. Balanced Load

NCPA and its participating members shall maintain an integrated and balanced portfolio of resources to cover members' load obligations.

2.3. Minimum Coverage Requirements

NCPA shall establish minimum coverage requirements for capacity and energy in accordance with NCPA Commission and member approved Resource Adequacy Policies and as determined by the ROC and outlined in the Energy Risk Management Regulations.

2.4. Diversification of Portfolio

NCPA shall develop a resource portfolio that includes diversification in fuel type, contract duration, geographic location, counterparty, pricing terms, cash reserves and types of products. NCPA and the ROC shall encourage diverse supply portfolios, and assist individual members with maintaining a diverse supply portfolio.

2.5. Purchase to Cover Load Serving Obligations - No Speculation

As discussed in Section 1.3, NCPA's overall objective for energy procurement activities is to cover the load serving obligations of our members. In the course of performing these activities, NCPA shall not engage in activities that expose the Agency or its members to speculative transacting risks and shall only utilize approved transaction parameters as determined by the ROC and outlined in the Energy Risk Management Regulations.

2.6. Use of Derivatives and Financial Transactions

Use of financial derivatives or transactions (as opposed to physical or "embedded" options) is allowed in limited circumstances by the Agency. These include transactions used to set price caps and floors, or hedge against load/price volatility. Examples include:

- Exchange traded Puts and Calls
- Gas or Electric Futures
- Gas or Electric Options
- Weather Derivatives

Use of certain types of financial derivatives is necessary in order to mitigate various risks outlined in this policy while optimizing the resource portfolio. Such types of allowable financial derivatives or transactions (but not individual transactions) must be approved by the ROC as outlined in the Energy Risk Management Regulations as developed by the ROC in accordance with this policy.

3. Risk Controls

3.1. Control Principles

NCPA will strive to conduct its energy risk management activities in accordance with best practices of the energy industry, but implementing such practices must be cost justified and balanced between costs and benefits. Processes and control systems must be in place that allow NCPA to identify, measure, monitor, control and track its risk exposures. These processes and control systems shall include the following risk management control principles:

- Appropriate segregation of duties and internal controls will be used
- Appropriate systems to ensure accurate and effective management reporting
- Necessary resources in place to achieve management objectives
- Attract and retain skilled and trained personnel
- Cross-train and provide cross coverage
- Employees conducting energy transactions are free of conflicts of interest
- Authority and approval delegation is commensurate with accountability and capability
- Performance measurement and reporting incorporate risk and return measures
- And ongoing monitoring of control effectiveness

3.2. Internal Controls

Internal controls shall be based on proven principles that meet the stringent requirements of generally accepted auditing standards (GAAS), financial institutions and credit rating agencies. The required controls shall include all customary and usual business practices designed to 1) prevent errors and improprieties, 2) ensure accurate and timely reporting of results of operations and other information pertinent to management, and 3) facilitate attainment of business objectives.

3.3. Segregation of Duties

Responsibilities related to energy transacting shall be segregated in a manner consistent with the control principles listed above by means of clearly defined roles and responsibilities for the Front Office, Middle Office and Back Office operations. Specific roles, responsibilities and organizational structure of these functions are outlined in Section 4 of this policy.

These controls shall be fully integrated into all business activities of the Agency and there shall be active participation by senior management in risk management processes.

3.4. Conflicts of Interest

All NCPA employees who are engaged in energy supply resource transactions, counterparty credit evaluation, or oversight of the foregoing and are employed in any job classification listed in Appendix "A" of the NCPA Conflict of Interest Code are required to complete annual conflict of interest filings on FPPC Form 700 and disclose investments as required by that code.

In addition to the foregoing disclosure requirement, NCPA employees engaged in energy supply resource transactions, counterparty credit evaluation or oversight of the foregoing, are barred from investing in any company with whom NCPA has consummated energy or related purchases or sales within the last two years.

Such employees must divest existing direct holdings in energy counterparties prior to engaging in any negotiating, evaluating, transacting or oversight functions. The ban on investment and requirement for divestment applies regardless of whether or not the investment would be of sufficient size (\$2,000) to require disclosure on FPPC Form 700.

NCPA employees supervising staff who are subject to this policy are responsible for routinely reviewing Form 700 of each such staff member for the purpose of identifying potential financial conflicts of interest. General Counsel will assist in reviewing these forms and providing legal advice in connections with such reviews upon request.

4. Roles, Responsibilities, & Organization

This section defines the overall roles and responsibilities for implementation of this Energy Risk Management Policy. The coordinated efforts of personnel across several divisions are required to successfully implement NCPA's risk management program. Figure 1 below provides an overview of the organizational structure. Section 4 outlines the basic roles and responsibilities of each function. Specific details and the specific roles and responsibilities of the oversight and operational divisions within the energy risk management program structure at the Agency are outlined in the Energy Risk Management Regulations as developed by the ROC and revised from time to time.

4.1. NCPA Commission

The NCPA Commission has the ultimate oversight over Agency operations and is responsible for establishing an agency-wide framework for risk management and ensuring that risk management results are achieved as planned. The Commission shall approve and establish organizational policies for risk management and delegate to the General Manager the responsibility for implementing the ERMP. With responsibility for the ultimate oversight over Agency operations, the Commission shall be responsible to insure the risk management results are achieved in accordance with this policy.

4.2. General Manager

The General Manager has overall responsibility for implementing the ERMP and for communicating risk management issues to the Commission. The General Manager shall be responsible for delegating specific duties for carrying out the policy and insuring compliance with it by all affected Agency employees or contractors. The Commission acknowledges that the General Manager has previously established the ROC as a member/staff function and has delegated certain functions to the ROC, which delegation is ratified by this ERMP.

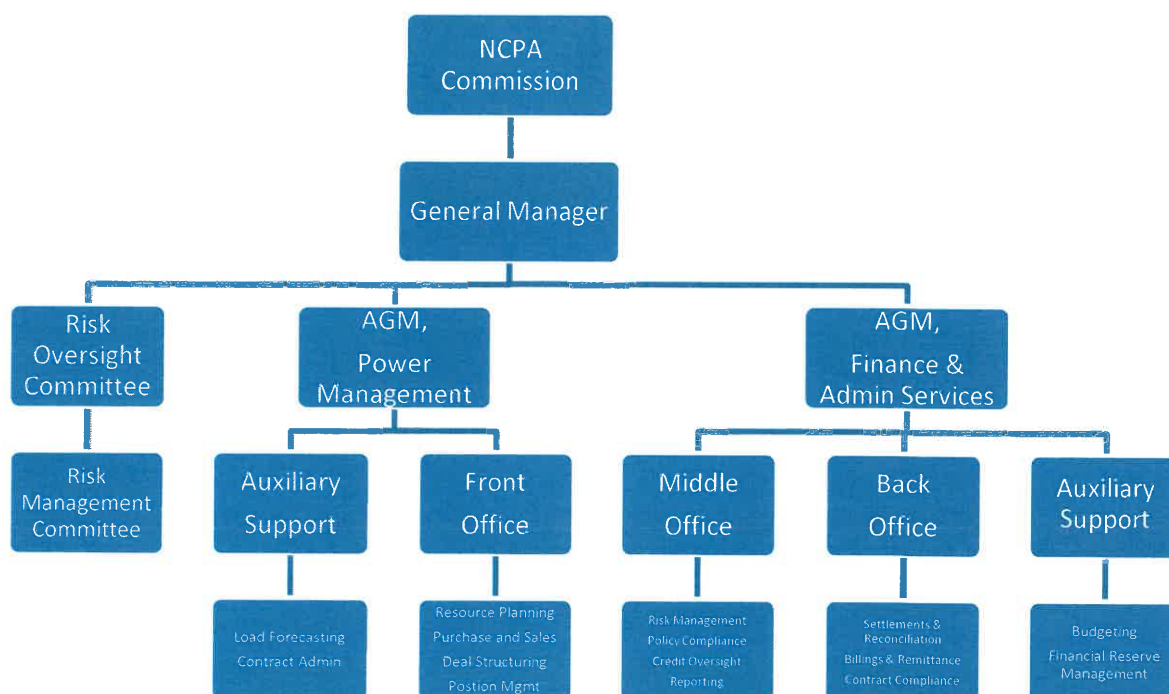


Figure 1. Organization chart reflecting basic roles and responsibilities of the various functions within the energy risk management program.

4.3. Risk Oversight Committee

The ROC is responsible for overseeing compliance with risk management policies within the Agency. The Committee serves as the highest level of organizational risk management reporting to the General Manager. The ROC shall consist of NCPA Management, member representatives and NCPA General Counsel as designated by the General Manager. The current designation is listed in Appendix A. A quorum for the ROC to do business shall be not less than three Committee members (including not less than one member representative) or their designees.

The four member representatives shall be appointed to the ROC by NCPA's General Manager. These member representatives shall reflect the diversity of NCPA membership (including larger and smaller members). NCPA members may nominate potential ROC members. The General Manager shall select member representatives based on those recommendations.

Member representatives shall be appointed for two-year terms. Each January, one large-member representative and one small-member representative will rotate off the ROC, and two new member representatives shall be appointed. Existing member representatives may be reappointed to the ROC at the General Manager's discretion.

Each ROC member shall have one vote, and may appoint a voting alternate with the approval of the General Manager. NCPA members not represented on the ROC may send representatives to attend ROC meetings and participate in ROC discussions; however, these non-ROC members will have no voting rights.

The ROC will meet at least quarterly, to act on the responsibilities mentioned above. Individual members may request the ROC to convene in a timely fashion if ROC approval is required for any transaction affecting that member. Minutes to each meeting will be maintained according to current Agency policy.

The ROC shall make regular reports to the Commission regarding business transacted by the ROC at such intervals as the Commission shall direct.

The ROC shall have the responsibility for ensuring that business is conducted in accordance with the ERMP. The ROC shall adopt and keep current "Energy Risk Management Regulations" which shall define in detail the internal controls, strategies and processes for managing risks covered under this policy. Specific ROC responsibilities are outlined in detail in the Energy Risk Management Regulations.

4.4. Risk Management Committee (RMC)

The Risk Management Committee shall be made up of NCPA staff. The RMC shall implement and ensure compliance with the ERMP and Regulations and act as liaison between NCPA staff and the ROC. The RMC shall develop and implement NCPA's risk management processes and internal controls. Such processes and controls shall conform to this ERMP and the Energy Risk Management Regulations as instituted by the ROC. The RMC shall meet at least quarterly, and shall monitor all energy risk management activities, NCPA risk exposures and ensure compliance with the ERMP. The ROC shall designate the chair of the RMC and appoint at its discretion such other NCPA staff members as is appropriate. The RMC shall meet, conduct business and record its proceedings in accordance with the Energy Risk Management Regulations.

4.5. Front Office (Planning and Procurement)

The Front Office is responsible for resource planning and procuring resources to meet the physical, financial and contractual requirements of Pool Members, and NCPA Members with Single Member Service Agreements, with load/resource balancing provisions and such other arrangements as may be approved by the Commission in the future. The function includes purchase of power for individual and pool members, contract administration, managing the risk assumptions for gas and electricity transactions, including physical and financial needs analyses, energy purchases and sales, procurements of transmission, ancillary services and coordinating energy delivery scheduling. The Front Office is responsible to ensure that the procedures and processes needed to transact business within the risk management policy are in place and they perform all duties related to actual transacting in the wholesale gas and energy markets. The Front Office is the primary interface with potential wholesale transacting counterparties. The Assistant General Manager, Power Management is responsible for managing the Front Office. Front Office activities are conducted by the Power Management Division of NCPA and detailed responsibilities are outlined in the Energy Risk Management Regulations.

4.6. Middle Office (Risk Management Section) Controls and Reporting

The duties of the Middle Office will be conducted by the Risk Management Section of the Administrative Services Division. Its primary purpose is to manage risk oversight and controls. The Middle Office provides independent oversight of the risks assumed by the Front Office in the course of transacting energy products and services. The Middle Office must be independent from the Front Office functions. The Assistant General Manager, Finance and Administrative Services is responsible for managing the Middle Office. Detailed responsibilities of the Middle Office are outlined in the Energy Risk Management Regulations.

4.7. Back Office (Settlements and Recording)

The Back Office is primarily responsible for settlement of bills, recording transactions, bookkeeping and accounting, and contract compliance. It is responsible for providing assurance of accurate transaction records and settlements. Back Office functions are conducted by personnel in the Finance and Administrative Services Department, Finance and Settlements divisions. Detailed responsibilities of the Back Office are located in the Risk Management Regulations.

4.8. Auxiliary Functions

Additional issues impacting the overall power supply and risk management program include establishment of financial reserve requirements, which are generated by auxiliary support functions in the Finance Division of the Finance and Administrative Services Department.

The Finance Division is responsible for preparation of the budget and the calculation of rates used to bill members for their related power supply usage. In addition, the Finance Division is responsible for establishment of necessary reserve levels for the various projects owned by the Agency and for the Agency in general. The Finance Division is also responsible for establishment of reserves necessary for credit risks related to counterparty credit as mentioned in this policy, but as more clearly defined in the Energy Risk Management Regulations.

5. Authorities, Delegations, Limits and Prohibitions

All executed transactions shall conform to the policies set forth herein. It shall be the responsibility of the ROC, with approval of the General Manager, to establish appropriate individual transacting authority limits for the various personnel involved in the Front Office function (Power Management). All staff with designated responsibility for Middle Office or Back Office functions are strictly prohibited from executing any wholesale transactions. The Middle Office shall be responsible for informing counterparties of such approved authorizations, including transacting authority and restrictions, along with product types and/or term and dollar limits.

6. Policy Compliance

6.1. Compliance Exceptions

Compliance exceptions are actions which violate the authority limits or directives set forth herein or in the Energy Risk Management Regulations as developed and adopted pursuant hereto by the ROC.

6.2. Reporting of Exceptions

The Energy Risk Manager shall notify the RMC and ROC Exceptions to mandated policies, procedures and regulations shall be reported to the RMC and ROC within 48 hours after they are identified and ensure front office to prepare a full report for review and discussion at the next ROC meeting, as provided in the Energy Risk Management Regulations.

6.3. Audit

Compliance with this ERMP and with the specific Energy Risk Management Regulations instituted pursuant to this ERMP shall be subject to examination by the Agency's independent auditors or by such other reviewers that the Agency or ROC may appoint to evaluate the effectiveness of mandated controls.

7. Reserves

The ROC and the Assistant General Manager, Finance and Administrative Services, or his/her designee, are responsible for ensuring adequate reserves for energy price exposure and credit losses are maintained by the Agency. The reserve estimate methodology, as established by the Finance Division of the Agency, shall be reviewed and approved as needed to ensure appropriate reserve levels are maintained and funded.

8. Systems, Tools and Training

NCPA employees who are authorized to perform energy risk management functions on behalf of NCPA shall be provided with the necessary systems and tools to support all risk management processes.

Provision shall be made in the budgets submitted for each division which performs market risk management functions on behalf of NCPA for the acquisition and maintenance of computer systems, software, communications equipment, data services and other analytical, measurement and reporting tools.

Provision shall also be made in the budgets submitted for each NCPA division which performs market risk management functions on behalf of NCPA for managers and staff to attend seminars and courses in risk management on a regular basis.

Appendix A

Risk Oversight Committee (ROC) Membership

As currently designated by the General Manager, the ROC will be made up of the following:

NCPA General Manager (Chair)

NCPA Assistant General Manager Finance and Admin Services/CFO (Vice Chair)

NCPA Assistant General Manager/Power Management

If unavailable, each of the above may designate an official designee to perform their duties on this Committee.

Four member representatives (including large and smaller members).

Each member may appoint a voting alternate with the approval of the General Manager.

If unavailable, each of the above may assign their proxy to another ROC member.

NCPA members not represented on the ROC may send representatives to attend ROC meetings and participate in ROC discussions; however, these non-ROC members will have no voting rights.

Legal Advisor:

NCPA General Counsel or Asst. General Counsel



Energy Risk Management Policy

Version 2.0

Approved
June 29, 2017

TABLE OF CONTENTS

1. Philosophy, Objectives and Scope	1
1.1. Risk Philosophy.....	1
1.2. Business Activities	1
1.3. Transacting Objectives.....	2
1.4. Scope of Policy	2
1.5. Applicability	3
1.6. Policy Review and Amendments	3
2. Risk Strategy & Parameters.....	3
2.1. Counterparty Risk Management.....	3
2.2. Balanced Load	4
2.3. Minimum Coverage Requirements.....	4
2.4. Diversification of Portfolio.....	4
2.5. Purchase to Cover Load Serving Obligations- No Speculation	4
2.6. Use of Derivatives and Financial Transactions	4
3. Risk Controls	5
3.1. Control Principles.....	5
3.2. Internal Controls.....	5
3.3. Segregation of Duties.....	5
3.4. Conflicts of Interest	6
4. Roles, Responsibilities, & Organization	6
4.1. NCPA Commission	6
4.2. General Manager	7
4.3. Risk Oversight Committee.....	7
4.4. Risk Management Committee (RMC)	8
4.5. Front Office (Planning and Procurement).....	9
4.6. Middle Office (Risk Management Section) Controls and Reporting	9
4.7. Back Office (Settlements and Recording)	9
4.8. Auxiliary Functions	9
5. Authorities, Delegations, Limits and Prohibitions	10
6. Policy Compliance	10
6.1. Compliance Exceptions.....	10
6.2. Reporting of Exceptions	10
6.3. Audit.....	10
7. Reserves.....	11
8. Systems, Tools and Training	11
 Appendix A - Risk Management Committee Membership.....	 12

1. Philosophy, Objectives and Scope

This Energy Risk Management Policy outlines the philosophies and objectives of NCPA's Commission. The NCPA Energy Risk Management Regulations expand on the roles, strategies, controls and authorities authorized in this policy to form a comprehensive energy risk management program. Energy Risk Management Regulations shall be read in conjunction with this policy.

1.1. Risk Philosophy

The overall goal of NCPA's Energy Risk Management policy is to:

- Serve members' needs subject to Commission approved risk tolerance limits
- Provide as much power supply (generation and transmission) cost certainty for members as possible while maintaining a least cost supply portfolio
- Enhance the value of NCPA assets to meet the financial requirements of project participants
- Limit transfer of risk between members participating in the various Agency power purchase programs and other NCPA members

As a joint action agency, NCPA is in the business of generation, transmission and procurement of energy for the benefit of its member agencies. NCPA's objective is to develop the least cost supply portfolio to meet load requirements of participating members, while maximizing revenues from sales of surplus energy, capacity and other wholesale energy and transmission services (e.g. resource optimization). However, unlike a private-sector entity, NCPA's primary purpose in the power supply business is to serve its members. NCPA's goal is to be a cost hedger for members' load and, is therefore, precluded by this policy from engaging in speculative activities typical to many organizations orientated toward profit maximization.

Agency management recognizes that certain risks are incidental to normal power supply operations and hedging activities. The Agency's policy is to avoid unnecessary risk and to limit, to the extent practicable, any risks associated with normal cost-hedging activities. This document serves as a vehicle to describe and define the limits for activities considered as appropriate for the Agency in a normal course of business.

Due to varying participation levels of members in Agency activities, it is also an overall goal of this policy to implement specific policies and regulations that limit to the maximum extent possible the transfer of risks related to power procurement among and between the various members of NCPA.

1.2. Business Activities

A primary part of NCPA's main business is to procure or produce power supplies, transmission, and reserves to meet member load requirements. The resource (capacity/energy/fuel) supply portfolio consists of physical assets such

as power plants and transmission lines, fixed and variable priced supply contracts of varying lengths and agreements for other related supplies and services needed to ensure reliable delivery of electricity to members.

1.3. Transacting Objectives

The Agency's overall transacting objective is to meet the load requirements of members with an optimized resource supply portfolio. NCPA's objectives when transacting on behalf of its members for the procurement of energy supplies and services are as follows:

- Meet member load requirements including energy, capacity and reserves
- Provide stable rates for members and ultimately their retail customers
- Obtain the best available price for power supply while complying with the requirements of this policy
- Manage Agency assets to optimize value
- Act to limit exposure to extreme market system changes
- Ensure risk protections also cover non-participant members
- Follow effective wholesale counterparty credit management procedures
- Maintain NCPA's investment grade credit rating

1.4. Scope of Policy

This Energy Risk Management Policy (ERMP) addresses risks arising from NCPA's participation in the Western Interconnection energy markets and applies to all transactions (e.g. pool, single member service agreement, within the month and such other arrangements as may be approved by the Commission in the future) for which NCPA enters into on behalf of its members. It does not apply to transactions entered into by the individual members. This ERMP does not address the following types of general property and casualty business risk: fire, accident and casualty; health, safety, and workers' compensation; general liability; and other such typically insurable perils. The term "risk management," as used herein, is therefore understood to refer solely to risks related to participation in wholesale energy markets as herein defined.

The Agency is exposed to three quantifiable risks: load and resource variability (volumetric), cost variability (price), and counterparty credit risk. From the perspective of risk mitigation, the Agency's primary objective is to cover load and optimize the value of assets. Taking risks in order to arbitrage market opportunities, or risks unrelated to the Agency's normal power supply business activities, is not permitted.

The Agency is also exposed to regulatory and operational risks. However, these exposures are not quantifiable as they affect structural change. As a result, these risk categories are managed as separate enterprise risk exposures and are not directly governed by this Energy Risk Management Policy.

This policy prescribes the management organization, authority and processes to monitor, measure and control the risks to which NCPA is exposed in the normal course of business. Specific methodologies used to measure, monitor and control these risks shall be established by the General Manager's Risk Oversight Committee (ROC) in accordance with sound utility practices and included in the Energy Risk Management Regulations.

1.5. Applicability

This ERMP is effective immediately upon its adoption by the NCPA Commission. It applies to NCPA's wholesale supply operations, long-term contracting for energy/capacity/fuel and services, acquisition of generation and transmission resources, credit risk management and other related ancillary activities undertaken by NCPA on behalf of its participating members.

1.6. Policy Review and Amendments

Prudence is required in implementing any and all policies and procedures. Market and industry norms, technology and risk tolerances tend to change over time. Therefore, this policy should be reviewed as needed, in order to make adjustments in response to changes in business objectives and/or industry norms. Amendments to this ERMP shall be done only by approved Resolution of the NCPA Commission.

2. Risk Strategy & Parameters

An important aspect of implementing an overall energy risk management policy is the development of related strategies to mitigate all of the related risks associated with energy transacting activities. The key strategies of NCPA are outlined below.

2.1. Counterparty Risk Management

Counterparty risk is defined as the exposure to economic loss resulting from default by a party to a contract (e.g., a *counterparty*). Counterparty risk affects both contracts requiring physical settlement and those specifying monetary settlement. For all fixed price energy transactions, the counterparty must possess at least a BBB- (or equivalent investment grade rating) by a nationally recognized statistical rating organization (NRSRO). Agency staff may consider counterparties with a rating below investment grade, or a counterparty without a NRSRO rating on a case-by-case basis with the approval of the ROC.

Effective wholesale counterparty management and credit analysis is essential to mitigate the counterparty risks associated with commodity transactions in the energy markets. The objective is to preserve the Agency's capital, liquidity, and supply reliability by limiting counterparty credit risk and supplier concentration to acceptable levels. Methodologies to achieve this objective are set forth in the Energy Risk Management Regulations.

2.2. Balanced Load

NCPA and its participating members shall maintain an integrated and balanced portfolio of resources to cover members' load obligations.

2.3. Minimum Coverage Requirements

NCPA shall establish minimum coverage requirements for capacity and energy in accordance with NCPA Commission and member approved Resource Adequacy Policies and as determined by the ROC and outlined in the Energy Risk Management Regulations.

2.4. Diversification of Portfolio

NCPA shall develop a resource portfolio that includes diversification in fuel type, contract duration, geographic location, counterparty, pricing terms, cash reserves and types of products. NCPA and the ROC shall encourage diverse supply portfolios, and assist individual members with maintaining a diverse supply portfolio.

2.5. Purchase to Cover Load Serving Obligations - No Speculation

As discussed in Section 1.3, NCPA's overall objective for energy procurement activities is to cover the load serving obligations of our members. In the course of performing these activities, NCPA shall not engage in activities that expose the Agency or its members to speculative transacting risks and shall only utilize approved transaction parameters as determined by the ROC and outlined in the Energy Risk Management Regulations.

2.6. Use of Derivatives and Financial Transactions

Use of financial derivatives or transactions (as opposed to physical or "embedded" options) is allowed in limited circumstances by the Agency. These include transactions used to set price caps and floors, or hedge against load/price volatility. Examples include:

- Exchange traded Puts and Calls
- Gas or Electric Futures
- Gas or Electric Options
- Weather Derivatives

Use of certain types of financial derivatives is necessary in order to mitigate various risks outlined in this policy while optimizing the resource portfolio. Such types of allowable financial derivatives or transactions (but not individual transactions) must be approved by the ROC as outlined in the Energy Risk Management Regulations as developed by the ROC in accordance with this policy.

3. Risk Controls

3.1. Control Principles

NCPA will strive to conduct its energy risk management activities in accordance with best practices of the energy industry, but implementing such practices must be cost justified and balanced between costs and benefits. Processes and control systems must be in place that allow NCPA to identify, measure, monitor, control and track its risk exposures. These processes and control systems shall include the following risk management control principles:

- Appropriate segregation of duties and internal controls will be used
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Internal controls shall be based on proven principles that meet the stringent requirements of generally accepted auditing standards (GAAS), financial institutions and credit rating agencies. The required controls shall include all customary and usual business practices designed to 1) prevent errors and improprieties, 2) ensure accurate and timely reporting of results of operations and other information pertinent to management, and 3) facilitate attainment of business objectives.

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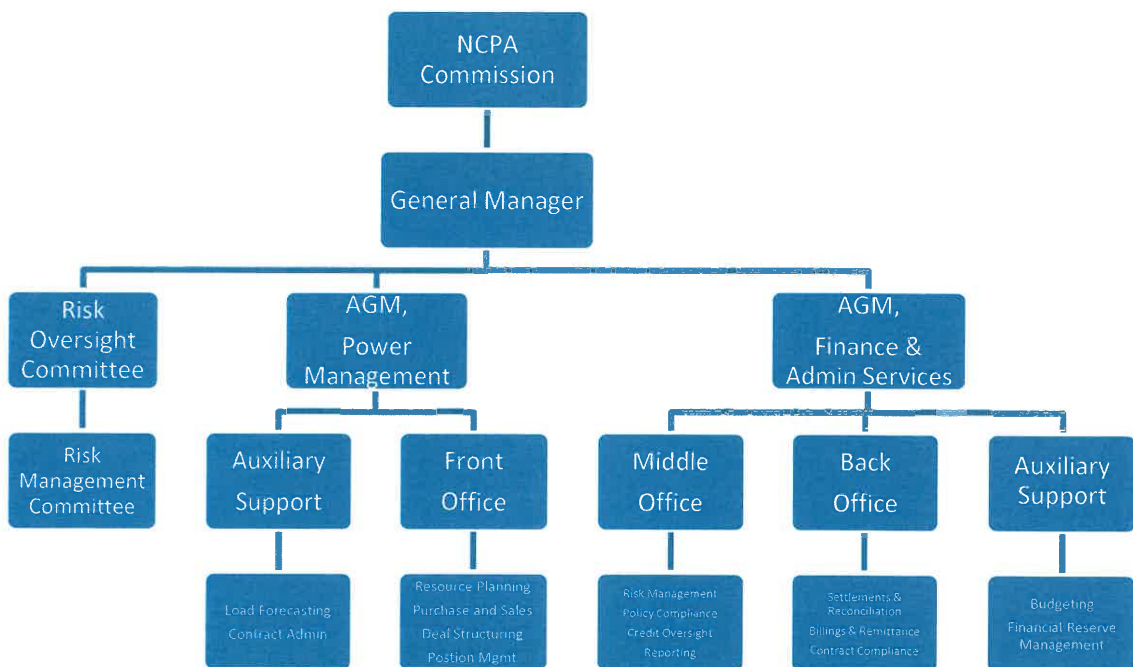


Figure 1. Organization chart reflecting basic roles and responsibilities of the various functions within the energy risk management program.

4.3. Risk Oversight Committee

The ROC is responsible for overseeing compliance with risk management policies within the Agency. The Committee serves as the highest level of organizational risk management reporting to the General Manager. The ROC shall consist of NCPA Management, member representatives and NCPA General Counsel as designated by the General Manager. The current designation is listed in Appendix A. A quorum for the ROC to do business shall be not less than three Committee members (including not less than one member representative) or their designees.

The four member representatives shall be appointed to the ROC by NCPA's General Manager. These member representatives shall reflect the diversity of NCPA membership (including larger and smaller members). NCPA members may nominate potential ROC members. The General Manager shall select member representatives based on those recommendations.

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The Finance Division is responsible for preparation of the budget and the calculation of rates used to bill members for their related power supply usage. In addition, the Finance Division is responsible for establishment of necessary reserve levels for the various projects owned by the Agency and for the Agency in general. The Finance Division is also responsible for establishment of reserves necessary for credit risks related to counterparty credit as mentioned in this policy, but as more clearly defined in the Energy Risk Management Regulations.

5. Authorities, Delegations, Limits and Prohibitions

All executed transactions shall conform to the policies set forth herein. It shall be the responsibility of the ROC, with approval of the General Manager, to establish appropriate individual transacting authority limits for the various personnel involved in the Front Office function (Power Management). All staff with designated responsibility for Middle Office or Back Office functions are strictly prohibited from executing any wholesale transactions. The Middle Office shall be responsible for informing counterparties of such approved authorizations, including transacting authority and restrictions, along with product types and/or term and dollar limits.

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Compliance exceptions are actions which violate the authority limits or directives set forth herein or in the Energy Risk Management Regulations as developed and adopted pursuant hereto by the ROC.

6.2. Reporting of Exceptions

The Energy Risk Manager shall notify the RMC and ROC exceptions to mandated policies, procedures and regulations within 48 hours after they are identified and ensure front office prepare a full report for review and discussion at the next ROC meeting.

6.3. Audit

Compliance with this ERMP and with the specific Energy Risk Management Regulations instituted pursuant to this ERMP shall be subject to examination by the Agency's independent auditors or by such other reviewers that the Agency or ROC may appoint to evaluate the effectiveness of mandated controls.

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The ROC and the Assistant General Manager, Finance and Administrative Services, or his/her designee, are responsible for ensuring adequate reserves for energy price exposure and credit losses are maintained by the Agency. The reserve estimate methodology, as established by the Finance Division of the Agency, shall be reviewed and approved as needed to ensure appropriate reserve levels are maintained and funded.

8. Systems, Tools and Training

NCPA employees who are authorized to perform energy risk management functions on behalf of NCPA shall be provided with the necessary systems and tools to support all risk management processes.

Provision shall be made in the budgets submitted for each division which performs market risk management functions on behalf of NCPA for the acquisition and maintenance of computer systems, software, communications equipment, data services and other analytical, measurement and reporting tools.

Provision shall also be made in the budgets submitted for each NCPA division which performs market risk management functions on behalf of NCPA for managers and staff to attend seminars and courses in risk management on a regular basis.

Appendix A

Risk Oversight Committee (ROC) Membership

As currently designated by the General Manager, the ROC will be made up of the following:

NCPA General Manager (Chair)

NCPA Assistant General Manager Finance and Admin Services/CFO (Vice Chair)

NCPA Assistant General Manager/Power Management

If unavailable, each of the above may designate an official designee to perform their duties on this Committee.

Four member representatives (including large and smaller members).

Each member may appoint a voting alternate with the approval of the General Manager.

If unavailable, each of the above may assign their proxy to another ROC member.

NCPA members not represented on the ROC may send representatives to attend ROC meetings and participate in ROC discussions; however, these non-ROC members will have no voting rights.

Legal Advisor:

NCPA General Counsel or Asst. General Counsel



Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Approval of Finance Committee Charter

AGENDA CATEGORY: Consent

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

IMPACTED MEMBERS:		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
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:

Staff recommends that the Commission approve Resolution 17-80 establishing a Finance Committee Charter which will better define the roles and responsibilities for the Finance Committee as described in the NCPA By-Laws.

BACKGROUND:

The NCPA Amended and Restated Rules of Procedure for the Commission (a.k.a. NCPA By-Laws) provides for a standing, advisory Committee known as the Finance Committee. The role of the Finance Committee is primarily to provide financial oversight for the Agency and is described as considering and reporting on all financial, accounting, or auditing matters referred to it by the Commission, the Executive Committee, the Chair, the Chief Financial Officer of the Agency, or by the General Manager.

The purpose of a Finance Committee Charter is to better define the Finance Committee's purpose, responsibilities and duties, structure and operations, frequency of meetings and requirements. The Charter will provide assistance to the Commission in fulfilling its responsibility with respect to the policies, practices, and strategies related to management of the financial affairs of the Agency.

The Finance Committee Charter is attached.

FISCAL IMPACT:

There is no direct dollar impact to approve a Finance Committee Charter.

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:

This recommendation was reviewed by the Finance Committee on September 18th and was recommended for Commission approval.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments: Resolution 17-80
Finance Committee Charter

RESOLUTION 17-80

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A FINANCE COMMITTEE CHARTER**

(reference Staff Report #204:17)

WHEREAS, the NCPA Amended and Restated Rules of Procedure for the Commission (a.k.a. NCPA By-Laws) provides for a standing, advisory Committee known as the Finance Committee; and

WHEREAS, the Finance Committee shall consider and report upon all financial, accounting, or auditing matters referred to it by the Commission, the Executive Committee, the Chair, the Chief Financial Officer of the Agency, or by the General Manager; and

WHEREAS, the purpose of a Finance Committee Charter is to define the purpose, responsibilities and duties, structure and operations, and meetings of the Finance Committee; and

WHEREAS, the Finance Committee Charter will provide assistance to the Commission in fulfilling its responsibility in respect to the policies, practices, and strategies that relate to the management of the financial affairs of the Agency; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency adopts the Finance Committee Charter defining the purpose, responsibilities and duties, structure and operations, and meetings of the Finance Committee.

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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

**NORTHERN CALIFORNIA POWER AGENCY
(NCPA)
FINANCE COMMITTEE CHARTER**

PURPOSE

The purpose of the Finance Committee is to assist the Commission, the Executive Committee, the Chair, the Chief Financial Officer of the Agency (CFO), or the General Manager in fulfilling its responsibilities to:

- Report upon all financial, accounting, or auditing matters;
- Review management's plans to administer NCPA's financial risk;
- Review NCPA's capital management, planning activities, investment and debt management policies;
- Review NCPA's financial performance, including the performance of the investment and debt portfolios, and other significant financial activities;
- Review NCPA's pension strategy and performance; and
- Review NCPA's health care costs, post-employment (OPEB) benefits and funding.

STRUCTURE AND OPERATIONS

The Finance Committee shall be a standing, advisory committee that is subject to the Brown Act. Members of the Finance Committee, who may be either Commission members or other staff or officers of members, shall be appointed by the Chair and then ratified by the Commission. The Chair is ratified by the Commission. All Members of the Finance Committee shall have a working familiarity with basic finance practices, and at least one Member of the Finance Committee shall have financial management expertise.

Finance Committee Members shall serve at the pleasure of the Commission for indefinite terms. The size of the Finance Committee shall be as determined by the Commission from time to time. Currently, the Finance Committee consists of five Members plus the CFO. Any Member of the Finance Committee may be removed from the Committee, with or without cause, by a majority vote of the Commission. A Member may also resign by notifying the CFO or General Manager.

MEETINGS

The Finance Committee shall ordinarily meet at least four times annually, or more frequently as circumstances dictate. The Committee may take action on any of the items listed on an Agenda regardless of whether the matter appears on the Agenda or is described as an Action Item, a Report, or an Information Item. The Chair will lead all regular meetings of the Finance Committee and set agendas for

the Finance Committee meetings. If the Chair is unable to attend, a member of the Committee can serve as the alternate Chair. Both the Chair and alternate Chair can call special meetings.

A quorum is required for the Finance Committee to conduct Agency business and shall consist of those primary representatives (Members) representing a numerical majority of the Participants but not including the CFO. Member alternates are not allowed for the purposes of meeting a quorum or voting on agenda items.

RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities, duties and recommendations to the Commission, the Finance Committee shall:

1. Review of current financial market conditions or issues;
2. Review of NCPA's debt portfolio;
3. Biennial review of NCPA's Debt and Interest Rate Management Policy;
4. Annual review of NCPA's Investment Policy including cash flow, liquidity targets, trading strategies and methodologies;
5. Review long-term liabilities and funding strategies;
6. Review report(s) on recent rating agency actions;
7. Review of various Request for Proposals for banking, custodian, audit, financial advisor, bond counsel, underwriters, etc.;
8. Review NCPA's capital strategies including the issuance of new debt or refunding of outstanding debt;
9. Any financial matter pertaining to NCPA and/or its members or business partners that requires review, comment, recommendation or direction to the Commission;
10. Document and maintain records of its proceedings, and shall make regular reports to the Commission summarizing the matters reviewed and actions taken at each Finance Committee meeting; and
11. Review and assess the adequacy of this Charter as it deems appropriate. The Committee may recommend amendments to this Charter at any time and submit the recommendations of approval to the Commission.



Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: HQ Perimeter Security Fence and Gates Project – Authorizing the General Manager to Execute a Public Works Agreement with FenceCorp Inc. and Issue Purchase Orders Associated with the Project For a Total Cost Not-to-Exceed \$401,648

AGENDA CATEGORY: Consent

FROM:	Knat Holben <i>NH</i>	METHOD OF SELECTION:
	Facilities Manager	<i>Public Works Bid</i>
Division:	Administrative Services	
Department:	General Services	

IMPACTED MEMBERS:		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
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:

Staff recommends that the NCPA Commission approve Resolution 17-81 authorizing the General Manager or his designee to enter into a Public Works Agreement with FenceCorp Inc. and to issue Purchase Orders associated with the Project for a total not-to-exceed cost of \$401,648 for construction of the NCPA Headquarters Perimeter Security Fence and Gates Project.

BACKGROUND:

The Headquarters Perimeter Security Fence and Gates Project ("the Project") was previewed to the Commission during the fiscal year 2015 budget presentation and the approved FY15 budget included funds for the Project. The need for the Project is created by the increased focus on physical security for electric system participants, especially those maintaining a 24/7 dispatching function. The Project will provide for an additional layer of physical security at the property line, which is consistent with physical security best practices for the electric industry. Furthermore, the perimeter fence will also deter people from walking through the Headquarters property or sleeping under the eaves of the building and thereby, improve the safety of employees walking to and from their cars to access the building.

The Project was to be brought back to the Commission for consideration and approval once the project scope was defined and required procurement policies and procedures satisfied. The engineering and design work was completed and approval obtained from the City of Roseville's Planning Commission after public hearing on March 23, 2017. Staff is ready to move forward with the Project pending Commission approval.

FISCAL IMPACT:

Staff's initial Project cost estimate in 2015 was \$285,000. The cost of the Project is now estimated to be \$386,648, which includes the sum of \$30,471 expended to date for review by the City of Roseville, design and engineering costs, and related printing and title expenses. Based on the results of the formal bidding process, which included two rounds of public bidding and subsequent negotiations, the Project cost includes the cost for the fence construction of \$323,467, electrical work, landscaping alterations, permitting, and additional engineering work. Staff recommends adding a contingency of approximately 4% for the remaining work in the amount of \$15,000, bringing the Project cost to a total not-to-exceed amount of \$401,648.

All funding necessary for this project has been budgeted for and no new budgeted dollars are being requested.

SELECTION PROCESS:

A formal Request for Proposal (RFP) for this public works fence construction project was issued on May 18, 2017 and advertised. Bids were opened on June 9, 2017; three bids were received. One bid was responsive and two bids were deemed unresponsive. However, due to the high cost of all bids as compared to staff's expected cost estimate, in its discretion staff determined to reject all bids and redesign the Project with specific emphasis on changes to reduce the cost of the electrical component.

A second formal RFP was issued on July 13, 2017 and advertised. Bids were opened on August 4, 2017; four bids were received. Three of the bids were nonresponsive and the fourth contained flaws. Pursuant to Public Contract Code 20166, having received no bids to which the Agency could award the contract and having satisfied the public's interest with respect to the competitive bidding process, NCPA opened negotiations with all four of the bidders on August 14, 2017. The final bids were opened on August 25, 2017, as follows:

	<u>Bidder</u>	<u>Bid Price</u>
<u>Bidder #1</u>	Crusader Fence	329,700
<u>Bidder #2</u>	Golden Bay Fence	326,039
<u>Bidder #3</u>	FenceCorp Inc.	323,467

FenceCorp Inc. was determined to be the low, responsible and responsive bidder. Given the tight bid results, staff feels confident the scope of the work is clear and that minimal design changes will be necessary during the course of work. Staff recommends a minimal 4% Project contingency in the amount of \$15,000 to address any changes required should the situation arise. The Public Works Agreement does not contain any reference to a contingency.

The final bid of FenceCorp, Inc. was over \$60,000 less than the lowest bid submitted in response to the original RFP. Redesign of the Project resulted in significant savings for the Project.

All of the work associated with the Project, including electrical work, landscaping alterations, and other needed services, will be solicited and awarded in accordance with NCPA procurement policies and procedures.

ENVIRONMENTAL ANALYSIS:

The work associated with the Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the provisions of Section 21084(a) as the work is included in the classes of projects that have been determined not to have a significant effect on the environment. The work associated with the Project is eligible for a Class 3 exemption provided in CEQA Guidelines Section 15303, the "New Construction" exemption, subparagraph (e), "accessory structures" that includes fences. And, the work associated with the Project is eligible for a Class 4 exemption provided in Section 15304, the "Minor Alterations to Land" exemption, for projects that do not include the removal of healthy, mature, scenic trees. Finally, the work associated with the Project is also exempt from environmental review under CEQA pursuant to Section 305 of the City of Roseville's CEQA Implementing Procedures that apply CEQA Guidelines Section 15061(c).

COMMITTEE REVIEW:

The recommendation was reviewed by the Facilities Committee on September 6, 2017 and was recommended for Commission approval.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments: Resolution 17-81
Proposed Public Works Agreement

RESOLUTION 17-81

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH FENCECORP INC. AND ISSUE PURCHASE ORDERS ASSOCIATED WITH THE HEADQUARTERS PERIMETER SECURITY FENCE AND GATES PROJECT FOR A TOTAL COST NOT-TO-EXCEED \$401,648

(reference Staff Report #205:17)

WHEREAS, the need for the Headquarters Perimeter Security Fence and Gates Project (the "Project") stems from the increased focus on physical security for electric system participants and is consistent with physical security best practices for the electric industry; and

WHEREAS, the perimeter fence will also deter people from walking through the Headquarters property or sleeping under the eaves of the building and thereby, improve the safety of employees walking to and from their cars to access the building; and

WHEREAS, the Project includes the cost for fence construction, electrical work, landscaping alterations, design and engineering work, permitting, review by the City of Roseville, title and printing costs, and an approximate 4% contingency in the amount of \$15,000, for a total not-to-exceed amount of \$401,648; and

WHEREAS, a formal Request for Proposal (RFP) for the public works fence construction was issued on May 18, 2017; three bids were received. One bid was responsive and two bids were deemed unresponsive. Due to the high cost of all bids as compared to staff's expected cost estimate, staff determined to reject all bids and redesign the Project; and

WHEREAS, a second formal RFP was issued on July 13, 2017; four bids were received. Three of the bids were nonresponsive and the fourth contained flaws; and

WHEREAS, pursuant to Public Contract Code 20166, having received no bids to which the Agency could award the contract and having satisfied the public's interest with respect to the competitive bidding process, NCPA opened negotiations with all four of the bidders; and

WHEREAS, the final bids were opened on August 25, 2017 and FenceCorp Inc. was identified as the low, responsible and responsive bidder; and

WHEREAS, the work associated with the Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the provisions of Section 21084(a) as the work is included in the classes of projects that have been determined not to have a significant effect on the environment; and

WHEREAS, the work associated with the Project is eligible for a Class 3 exemption provided in CEQA Guidelines Section 15303, the "New Construction" exemption, subparagraph (e), "accessory structures" that includes fences; and

WHEREAS, the work associated with the Project is eligible for a Class 4 exemption provided in Section 15304, the "Minor Alterations to Land" exemption, for projects that do not include the removal of healthy, mature, scenic trees; and

WHEREAS, the work associated with the Project is also exempt from environmental review under CEQA pursuant to Section 305 of the City of Roseville's CEQA Implementing Procedures that apply CEQA Guidelines Section 15061(c); and

WHEREAS, all funding necessary to support the Project has been budgeted for and no new budgeted dollars are being requested; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency:

1. Finds the work associated with the Project is categorically exempt from the provisions of CEQA because work associated with the Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the provisions of Section 21084(a) as the work is included in the classes of projects that have been determined not to have a significant effect on the environment; and
2. Finds the work associated with the Project is eligible for a Class 3 exemption provided in CEQA Guidelines Section 15303, the "New Construction" exemption, subparagraph (e), "accessory structures" that includes fences; and
3. Finds the work associated with the Project is eligible for a Class 4 exemption provided in Section 15304, the "Minor Alterations to Land" exemption, for projects that do not include the removal of healthy, mature, scenic trees; and
4. Finds the work associated with the Project is also exempt from environmental review under CEQA pursuant to Section 305 of the City of Roseville CEQA Implementing Procedures that apply CEQA Guidelines Section 15061(c); and
5. Authorizes the General Manager or his designee to enter into a Public Works Agreement with FenceCorp Inc. and to issue Purchase Orders associated with the Project for a total not-to-exceed cost of \$401,648 for construction of the NCPA Headquarters Perimeter Security Fence and Gates 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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

AGREEMENT

This contract ("Contract" or "Agreement") is entered into this _____ day of _____, 2017, by and between the Northern California Power Agency, a joint powers public agency organized and existing under the laws of the State of California (hereinafter referred to as "NCPA") and Fencecorp Inc., a California Corporation, with offices located at 111 N. Main St., Riverside, CA 92501, (hereinafter referred to as "Contractor"), collectively referred to as the "Parties"),

WHEREAS, NCPA intends to have constructed the HQ Perimeter Security Fence ("Project") located at NCPA's Facilities near Roseville, CA (hereinafter referred to as the "Project"), and the work required by this Contract is an integral part of this Project, and

WHEREAS, on _____, at its regularly scheduled meeting, the NCPA Commission has approved and authorized this Project by Resolution No. _____; and

WHEREAS, both Parties have a desire to perform the work described herein;

NOW THEREFORE, IT IS AGREED THAT:

SECTION 1. SCOPE OF WORK

Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor, materials, transportation and utility services and incidentals necessary to fully perform and complete, in a good workmanlike manner, free from any and all liens and claims from mechanics, material suppliers, subcontractors, artisans, machinists, teamsters, freight carriers, and laborers, and in strict accordance with the Contract Documents (as defined below), including without limitation the drawings and technical specifications and plans included therein dispatched August 14, 2017, the Work of:

**Northern California Power Agency
Project Description: HQ Perimeter Security Fence
NCPA Project No.: HQ-0117**

It is understood and agreed that such tools, equipment, apparatus, facilities, labor, materials, transportation and utility services and incidentals shall be furnished, and the Work performed and completed, in accordance with the Contract Documents and subject to the approval of NCPA and NCPA's duly authorized representatives.

SECTION 2. TIME OF COMPLETION; LIQUIDATED DAMAGES

Contractor hereby agrees to commence the Work within ten (10) calendar days from the date of NCPA's "Notice to Proceed," and to diligently prosecute the same to completion within one hundred sixty-nine (169) consecutive calendar days, commencing as of the date of NCPA's Notice to Proceed. Contractor shall complete the work no later than March 31, 2018, except as adjusted by any subsequent change order. Time is of the essence in this Agreement.

This Contract is being awarded in reliance upon the completion date set forth in the Contract Documents and the dates established by schedules set forth and released by NCPA. NCPA will hold the Contractor responsible and accountable for all damages suffered by NCPA as a consequence of the Contractor's failure to meet the schedule dates, or to complete the work at the time specified, except for such excusable delays as listed in the Contract Documents.

It is agreed by the parties to this Agreement that in the case in which a portion of the work called for under Contract Documents is not completed within the times specified, damages will be sustained by NCPA, and it is and will be impractical and extremely difficult to ascertain the actual damages which

NCPA HQ Perimeter Security Fence Project
Public Works Contract
1/23/17

NCPA will sustain in the event of and by reason of such delay. It is therefore agreed that the Contractor shall pay to NCPA the sums stipulated for delays in finishing the work beyond the times of completion specified; and the Contractor agrees to pay these liquidated damages, and further agrees that NCPA may deduct the amount thereof from any moneys due or that may become due the Contractor under the Contract Documents. If such moneys are insufficient, the Contractor or its surety or sureties shall pay to NCPA any deficiency within thirty (30) days of invoice submittal by NCPA.

Liquidated damages in the amount of \$100.00 per calendar day for each day of delay shall be imposed on Contractor.

SECTION 3. CONTRACT PRICE

NCPA will pay Contractor in current funds as full consideration for the full and complete performance of this Agreement the sum of: Three hundred twenty three thousand, four hundred sixty seven dollars (\$323,467.00), being Contractor's bid amount, subject to subsequent contract change order(s), for furnishing all materials and for doing all the Work contemplated under this Agreement; for all loss or damages arising out of the nature of the Work, or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the Work, until the Work is accepted by the NCPA; for all expenses incurred by or in consequences of the suspension or discontinuance of the Work; and for well and faithfully completing the Work, the whole thereof, in the manner and in accordance with the Contract Documents therefore and the requirements of NCPA under them.

SECTION 4. BONDS

Prior to execution of this Agreement, Contractor shall obtain a one hundred percent (100%) Performance Bond, a one hundred percent (100%) Payment (Labor and Materials) Bond, and a ten percent (10%) Maintenance Bond each in the form included in the Contract Documents.

SECTION 5. INSURANCE

Before beginning any work under this Contract, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below against claims that may arise from or in connection with the performance of the work hereunder by Contractor and its agents, representatives, employees, and subcontractors. Contractor shall maintain the insurance policies required by this section throughout the term of this Contract. The cost of such insurance shall be included in the Contractor's price. Contractor shall not allow any subcontractor to commence work on any subcontract until Contractor has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to NCPA. Verification of the Contractor's required insurance shall be submitted and made part of this Contract prior to execution. The existence of insurance shall not relieve or decrease the liability of Contractor under the Contract Documents.

- 5.1. **Workers' Compensation.** Contractor shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than One Million Dollars (\$1,000,000.00) per accident. In the alternative, Contractor may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of NCPA. The insurer, if insurance is provided, or the Contractor, if a program of self-insurance is provided, shall waive all rights of subrogation against NCPA and its officers, officials, employees, and volunteers for loss arising from work performed under this Contract.

5.2. Commercial General Insurance.

- 5.2.1. General requirements.** Contractor, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Contract in an amount not less than one million dollars (\$1,000,000) and two million dollars (\$2,000,000.00), per occurrence, combined single limit coverage for risks associated with the work contemplated by this Contract. If a Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Contract or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily injury, personal injury, including death resulting therefrom, completed operations and products liability; broad form property damage liability; coverage for the XCU hazards of explosion, collapse, and underground, and contractual liability as to the obligations assumed by the Contractor under the Contract Documents.
- 5.2.2. Minimum scope of coverage.** Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (current edition) covering comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability. No endorsement shall be attached limiting the coverage.

5.3 Automobile Liability Insurance.

- 5.3.1. General requirements.** Contractor, at its own cost and expense, shall maintain automobile liability insurance for the term of this Contract in an amount not less than one million dollars (\$1,000,000) and two million dollars (\$2,000,000.00), per occurrence, combined single limit coverage for risks associated with the work contemplated by this Contract. If an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Contract or the general aggregate limit shall be at least twice the required occurrence limit.
- 5.3.2. Minimum scope of coverage.** Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (current edition) symbol 1. No endorsement shall be attached limiting the coverage.

5.4 All Policies Requirements.

- 5.4.1. Acceptability of Insurers.** All insurance required by this section is to be placed with insurers with a Best's rating of no less than A:VII.
- 5.4.2. Verification of Coverage.** Prior to beginning any work under this Contract, Contractor shall furnish NCPA with endorsements (as to insurance referenced in Sections 5.2, 5.3 and 5.5) and certificates, with complete certified copies of all policies (if requested by NCPA), evidencing to NCPA's reasonable satisfaction, compliance with Section 5 herein. All endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.
- 5.4.3. Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice of any material changes to the

insurance specified herein, including suspension, cancellation, termination, limitation, reduction in scope or amount. NCPA's receipt of such notice shall not constitute NCPA's acceptance of such material change.

- 5.4.4. Additional Insured; Primary Insurance.** An endorsement at least as broad as Insurance Services Office form number CG 20 10 (current edition) shall be attached to policies referenced in Sections 5.2, 5.3 and 5.5, stating that NCPA and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to such policies. The coverage shall contain no special limitations on the scope of protection afforded to NCPA or its officers, employees, agents, or volunteers.

Each endorsement shall state that coverage is primary insurance with respect to NCPA and its officers, officials, employees, agents and volunteers, and that no insurance or self-insurance maintained by NCPA shall be called upon to contribute to a loss under the coverage.

- 5.4.5. Deductibles and Self-Insured Retentions.** Contractor shall disclose to and obtain the written approval of NCPA for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Contract.

During the period covered by this Contract, only upon the prior express written authorization of NCPA, Contractor may increase such deductibles or self-insured retentions with respect to NCPA, its officers, employees, agents, and volunteers. NCPA may condition approval of an increase in deductible or self-insured retention levels with a requirement that Contractor procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

- 5.4.6. Subcontractors.** Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 5.4.7. Variation.** NCPA may approve a variation in writing in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that NCPA's interests are otherwise fully protected.
- 5.4.8. Reporting.** The endorsements shall also specify that any failure or delay to comply with reporting or other provisions of the policies shall not affect coverage provided to NCPA, its officers, officials, employees, agents or volunteers.
- 5.4.9. Occurrence-basis for Coverage.** The endorsements shall also specify that coverage is on an occurrence or an accident basis, and not on a claims-made basis.

5.5. Builder's Risk. Contractor shall obtain and maintain at its own expense a builder's risk and fire insurance policy, special form including extended coverage and vandalism, and malicious mischief endorsements. The policy shall name NCPA and the Contractor as insureds. This insurance shall be in the amount of 100% of the Contract Price, and may be increased at NCPA's request to reflect change orders. In the event of partial or total destruction by fire of any or all of the Work at any time prior to completion and NCPA's acceptance of the Work, the Contractor

shall promptly reconstruct all Work so destroyed or injured at the Contractor's sole cost and expense and at no cost to NCPA.

5.6 Remedies. In addition to any other remedies NCPA may have if Contractor fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, NCPA may, at its sole option exercise any of the following remedies, which are alternatives to other remedies NCPA may have and are not the exclusive remedy for Contractor's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Contract;
- Order Contractor to stop work under this Contract or withhold any payment that becomes due to Contractor hereunder, or both stop work and withhold any payment, until Contractor demonstrates compliance with the requirements hereof; and/or
- Terminate this Contract.

SECTION 6. INDEPENDENT CONTRACTOR

6.1. Independent Contractor. At all times during the term of this Contract, Contractor shall be an independent contractor and shall not be an employee of NCPA. NCPA shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Contract. Notwithstanding any other NCPA, 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 Contract 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 NCPA, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of NCPA and entitlement to any contribution to be paid by NCPA for employer contributions and/or employee contributions for PERS benefits.

6.2. Contractor Not Agent. Except as NCPA may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of NCPA in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Contract to bind NCPA to any obligation whatsoever.

SECTION 7. REGISTRATION

During the term of this Agreement, Contractor warrants that it is currently registered with the Department of Industrial Relations and qualified to perform public work consistent with Labor Code section 1725.5. Contractor further warrants that any subcontractors, who are subject to Public Contract Code section 4104, are registered and qualified to perform public work consistent with Labor Code section 1725.5

SECTION 8. LAW, VENUE, AND CONFLICTS OF INTEREST

8.1. This Agreement has been executed and delivered in the State of California, and the validity, enforceability and interpretation of any of the provisions of the Contract Documents, including this Agreement, shall be determined and governed by the laws of the State of California, without regard to the choice of law doctrine.

8.2. The duties and obligations of the parties created hereunder are performable in Placer County and in that County where the NCPA Project is located. Either Placer County or the County where the Project Facility is located shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

8.3. Contractor may serve other clients, but none whose activities within the corporate limits of NCPA 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 Sections 81000 *et seq.*

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

8.5. Contractor hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of NCPA. If Contractor was an employee, agent, appointee, or official of NCPA in the previous twelve months, Contractor warrants that it did not participate in any manner in the forming of this Contract. Contractor understands that, if this Contract is made in violation of Government Code Sections 1090 *et seq.*, the entire Contract is void and Contractor will not be entitled to any compensation for services performed pursuant to this Contract, including reimbursement of expenses, and Contractor will be required to reimburse NCPA for any sums paid to the Contractor. Contractor understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code Section 1090 and, if applicable, will be disqualified from holding public office in the State of California.

SECTION 9. CHANGE ORDERS

It is agreed that the Project Manager is the sole person authorized to execute change orders necessary to the prosecution of the Work, unless NCPA otherwise notifies Contractor in writing.

SECTION 10. EXTRA WORK

Contractor hereby agrees that it will not proceed with any extra work unless it has been authorized in writing to do so by the Project Manager prior to the commencement of such extra work.

SECTION 11. PROGRESS PAYMENTS

11.01 The Contractor shall submit to NCPA's designated representative at least 10 days before the first and/or third Monday of the month, for NCPA's approval, a request for payment. Each progress payment to the Contractor by NCPA shall be in payment for only that work performed by the Contractor during the period immediately preceding the Contractor's current request for payment.

11.02 If requested by NCPA, the Contractor shall submit time sheets to NCPA daily for approval and signature. The daily time sheets shall clearly delineate the number of worker-hours and equipment hours worked in each given area of work. If NCPA makes this request, then only those time sheets signed by NCPA will be honored for payment.

11.03 Each request for payment submitted by the Contractor shall include backup documentation in support of all quantities and costs for which payment is requested, including but not limited to all material invoices, subcontractor/vendor statements of quantities and/or services provided, equipment rental invoices and signed daily time sheets.

11.04 Work performed at the request of NCPA, which is outside the scope of work and unit prices as defined in these Contract Documents, shall be itemized separately, with back-up documentation attached, and the total cost figures for the work shall be entered on the billing form under "Other Work". Work itemization with back-up shall be submitted with the Contractor's request for payment.

11.05 Subject to Section 12 of the General Conditions, after approval by NCPA, progress payments will be made to the Contractor in the amount of ninety five percent (95%) of the approved billing. Progress payments will be made within 30 days after NCPA receives the Contractor's Request for Payment. NCPA's Progress Payment shall not constitute approval or acceptance of the Work performed.

SECTION 12. FINAL PAYMENT

12.01 Final payment will not be made to the Contractor until it has furnished evidence satisfactory to NCPA, of the Contractor's payment or provision for payment of all bills for material, labor, services, etc., incurred in connection with the performance of the Work; and at NCPA's option the written consent of the Contractor's surety to release final payment.

12.02 Final payment will further be contingent on approval of, and acknowledgment by, NCPA that the Contractor has completed all tasks and complied with all conditions of the Contract Documents. Upon approval by NCPA, the final payment will be made to the Contractor. NCPA may withhold from final payment, to the extent allowed by applicable law, amounts which in NCPA's opinion are determined to be reasonable and necessary to provide security against any losses, damages, expense, and liability covered by the Indemnification provision in the Contract Documents, and claims filed or reasonable evidence indicating probable filing of claims, damages to NCPA or third parties, liquidated damages, or other lawful bases for withholding final payment.

12.03 Final payment by NCPA, and acceptance of it by the Contractor, shall not constitute a waiver by NCPA, to any rights with respect to the Contractor's continuing obligations under the Contract Documents.

SECTION 13. DISPUTES

13.1. All questions of fact, and any and all disputes with references thereto, arising out of the performance of this Contract, or changes therein, or extra work in connection therewith, shall be submitted in writing to NCPA. NCPA will then make the final decision, which when made in writing shall be final and conclusive on the parties hereto.

13.2. Prior to initiating litigation in a court of competent jurisdiction, both Contractor and NCPA shall undergo alternative dispute procedures as outlined in Public Contract Code Sections 20104 *et seq.* The parties also expressly agree that the Alternative Dispute Resolution procedures outlined in Public Contract Code Sections 20104 *et seq.* shall apply to all claims, including those that exceed \$375,000, and that such procedures are incorporated as though fully set forth in this Contract.

13.3 Notwithstanding Sections 13.1 and 13.2, procedures for the Contractor to make claims for: (1) an extension of time, including relief from damages or penalties for delay; (2) payment by NCPA of money or damages arising from work done by, or on behalf of, the Contractor, where the underlying contract does not expressly provide for payment or payment to which the Contractor is not otherwise entitled, or (3) the payment of an amount disputed by NCPA are set forth in Section 10.03 of the General Conditions.

SECTION 14. PREVAILING WAGES

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 fixed 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. In accordance with California Labor Code Section 1773, NCPA 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. In accordance with California Labor Code Section 1773.2, 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 the Contractor must comply with all provisions of the Contract Documents and 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 NCPA 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.

SECTION 15. GUARANTEE OF WORK

Contractor hereby agrees that it will post a Maintenance Bond in the form included in the Contract Documents after final inspection by NCPA and completion of required corrections and/or repairs. Such Maintenance Bond shall guarantee Contractor's work for the period of one year after the date of recording of NCPA's Notice of Completion of the Work.

SECTION 16. RELEASE

Upon payment of undisputed amounts under this Agreement and if requested by NCPA, Contractor shall execute a Release in the form provided by NCPA. Such Release shall not apply to disputed contract claims in amounts specifically excluded by Contractor from the operation of the Release.

SECTION 17. BINDING AGREEMENT; ASSIGNMENT

Contractor, by execution of this Agreement, acknowledges that Contractor has read this Agreement and the other Contract Documents, understands them, and agrees to be bound by their terms and conditions. The Contract Documents shall inure to the benefit of and shall be binding upon the Contractor and NCPA and their respective successors and permitted assigns.

The Contractor shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of all sureties on all bonds required by this agreement, including but not limited to the Payment (Labor and Materials) Bond, and NCPA.

SECTION 18. CONTRACT DOCUMENTS

The full, complete and exclusive contract between the parties hereto shall consist of the following identified documents (the "**Contract Documents**"): (1) The Agreement, Workers' Compensation Insurance Certification, Performance Bond, Payment (Labor and Materials) Bond, Maintenance Bond, Escrow Agreement for Security Deposits in Lieu of Retention, General Conditions, Supplementary Conditions, and Technical Specifications and Plans, and any Addenda, and (2) any Change Orders, Field Orders, or NCPA's directives issued pursuant to and in accordance with this Agreement.

SECTION 19. INDEMNIFICATION AND ATTORNEY'S FEES

Contractor shall at its own cost, defend, hold harmless, and indemnify NCPA, its governing board, officials, commission members, officers, directors, employees, agents, and successors in interest ("Indemnitees") from and against any and all liability, damages, losses, claims, demands, actions, costs including attorney's fees and expenses ("Liabilities"), on account of injury to or death of persons or damage to any property (including property of NCPA) or delay or damage to another contractor resulting from or arising out of or in any way connected with the performance by the Contractor of this Agreement,

and Contractor will reimburse Indemnitees for all Liabilities incurred by Indemnitees in consequence of any claims, demands, and causes of action which may be brought against Indemnitees arising out of the performance by the Contractor of this Agreement. However, notwithstanding, nothing in this section or the Contract Documents generally shall be construed to require the Contractor to indemnify the Indemnitees for their sole negligence, willful misconduct, or for defects in design furnished by Indemnitees. This section and the Contract Documents shall be construed consistent with Civil Code section 2782 so as to provide the maximum indemnification permitted by applicable law to Indemnitees.

This indemnification shall be in addition to any other indemnification provisions contained in the Contract Documents.

SECTION 20. NO IMPLIED WAIVER OF BREACH

The waiver of any breach of a specific provision of this Contract does not constitute a waiver of any other breach of that term or any other term of this Contract.

SECTION 21. SUCCESSORS AND ASSIGNS

The provisions of this Contract shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

SECTION 22. USE OF RECYCLED PRODUCTS

Contractor shall endeavor to prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

SECTION 23. NONDISCRIMINATION AND EQUAL OPPORTUNITY

Contractor shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Contractor under this Contract. Contractor shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Contract, including but not limited to the satisfaction of any positive obligations required of Contractor thereby.

Contractor shall include the immediately foregoing paragraph, verbatim, of this Subsection in any subcontract approved by the Contract Administrator or this Contract.

Contractor shall indemnify, defend, and hold harmless NCPA with respect to any alleged violation of this Section.

SECTION 24. ENTIRE AGREEMENT

The Contract Documents constitute the entire Agreement between the parties, and supersede any prior agreement between the parties, oral or written, including NCPA's award of the contract to Contractor, unless such agreement is expressly incorporated herein. NCPA makes no representations or warranties, express or implied, not specified in the Contract Documents.

SECTION 25. EXECUTION OF OTHER DOCUMENTS

The parties to this Agreement shall cooperate fully in the execution of any and all other documents and in the completion of any additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of the Contract Documents.

SECTION 26. EXECUTION IN COUNTERPARTS

This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy, or an original, with all signatures appended together, shall be deemed a fully executed Agreement.

SECTION 27. SEVERABILITY

If any provision of the Contract Documents shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 28. AMENDMENTS

The terms of the Contract Documents shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written agreement signed by the parties.

SECTION 29. WRITTEN NOTICE

Written notice shall be deemed to have been duly served if delivered in person to the individual or member of the firm, to an officer or director of the corporation, or to a manager of the LLC for whom it was intended, or if delivered at or sent by registered or certified mail to the last business address known to the party who gives the notice.

Any written notice to Contractor shall be sent to:

Mr. Robert McPherson
Fencecorp, Inc.
111 N. Main St.
Riverside, CA 92501

Any written notice to NCPA shall be sent to:

Northern California Power Agency
Attn: Knat Holben, Project Manager
651 Commerce Dr.
Roseville, CA 95678

and

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

With a copy to:
Northern California Power Agency
Attn: Jane Luckhardt, General Counsel
651 Commerce Drive
Roseville, CA 95678

NCPA HQ Perimeter Security Fence Project
Public Works Contract
1/23/17

SECTION 29. TERMINATION OF AGREEMENT

NCPA may terminate the Agreement as provided in the Contract Documents. The Contractor shall receive payment for all work performed to the date of termination in accordance with the provisions of the Contract Document.

SECTION 30. MONITORING BY DEPARTMENT OF INDUSTRIAL RELATIONS

This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

IN WITNESS WHEREOF, the Northern California Power Agency has authorized the execution of this Agreement by its General Manager has caused this Agreement to be duly executed.

NORTHERN CALIFORNIA POWER AGENCY

ATTEST

By _____
RANDY S. HOWARD, General Manager

By _____
Assistant Secretary of the Commission

Date: _____

APPROVED AS TO FORM

By _____
JANE LUCKHARDT, General Counsel

CONTRACTOR:

(Name - Type or Print)

By _____
Signature (if a partnership, all partners must sign)

Official Title

Business Address

License No./Classification/Expiration Date

CORPORATE CERTIFICATE

I, _____, hereby certify that I am the Secretary of the Corporation named as Contractor in the foregoing Agreement; that _____ who signed the Agreement on behalf of the Contractor, was then _____ of such Corporation; that the Agreement was duly signed for and in behalf of such Corporation by authority of its governing body and is within the scope of its corporate powers.

(Corporate Seal)

(Secretary)

GENERAL CONDITIONS

1.00 DEFINITIONS

Whenever used in the General Conditions or in other parts of the Contract Documents, the following terms will have these meanings.

1.01 Bid - The written offer of a Bidder, executed pursuant to the Bidding Documents, to perform the Work covered by the Contract for a specific price.

1.02 Construction Manager - Construction Manager or Project Manager are interchangeable and shall mean the designated site representative of NCPA.

The Construction Manager is authorized and empowered to decide matters relating to the interpretation of the Contract Documents and the execution and progress of the Work. The authority so granted does not include unilateral decisions by the Construction Manager to expend additional sums of money, i.e., Change Orders, etc.

The Construction Manager's decision on such matters shall be final and binding upon the Contractor and NCPA, until and unless reversed or modified by procedures otherwise specified herein.

1.03 Contract Time - Construction Days stated in the Contract, or established by a definite date for completion of the Work.

1.04 Contractor - The individual, firm, joint-venture, partnership, or corporation, and such heirs, executors, administrators, successors, and assigns, or their lawful agent under Performance Bond, constituting one of the principals to the Contract and undertaken to perform the Work herein specified.

1.05 Date of Acceptance - The date certified in writing by NCPA when all requirements of the Contract Documents have been met.

1.06 Date of Completion - The date certified in writing by NCPA when the Work has been satisfactory completed in accordance with the Contract Documents.

1.07 Day - A calendar day of twenty-four hours duration starting 12:01 a.m. and finishing at midnight, including Saturdays, Sundays, and Holidays.

1.08 Jobsite - The areas in and around the Work designated by NCPA for operations by the Contractor.

1.09 Liquidated Damages - The amount prescribed in the Contract Documents to be paid to NCPA, or to be deducted from any payments due or to become due the Contractor, for each calendar day or other specified time of delay in completing the whole or any specified portion of the Work beyond the Contract Time allowed in the Contract; such compensation shall not be construed as a penalty.

1.10 Notice of Award - The Written Notice from NCPA to the successful bidder signifying NCPA's acceptance of the bid.

1.11 Notice to Proceed - The written notice from NCPA to the Contractor authorizing and directing the Contractor to proceed with the Work and establishing the date on which the Contract Time begins.

1.12 Proposal - The forms on which the written offer of the bidder is made.

1.13 Specifications - Those portions of the Contract Documents which consist of written technical descriptions of materials, equipment, construction systems, standards, and workmanship as applied to the Work.

1.14 Work - The furnishing of all labor, materials, equipment, and other incidentals necessary for the successful completion of the project and the carrying out of all the duties and obligations imposed by the Contract.

2.00 SITE CONDITIONS

2.01 The Contractor is advised to keep itself fully appraised throughout the performance of the contract of existing conditions at the site, including the status and progress of other work thereat, which may affect the performance of this contract. The Contractor shall verify all necessary measurements and elevations in the field.

3.00 COORDINATION WITH NCPA OPERATIONS

3.01 NCPA retains the right of access to and use of areas adjacent to the Work for its own and other contractors' purposes and such shall not constitute the basis for any additional claims by the Contractor.

4.00 COORDINATION WITH OTHER CONTRACTORS

4.01 NCPA may enter into certain contracts with others requiring concurrent operations at the site and within the facilities occupied and under construction by the Contractor.

4.02 It shall be the Contractor's responsibility to so schedule its Work as to afford reasonable access and opportunity for the execution of work by others and to integrate, connect, and coordinate its Work with that of others. In multiple prime contracts, the Construction Manager will be responsible for coordinating the schedule of all prime contractors.

4.03 The Contractor shall report, in writing, to the Construction Manager the improper execution, or unreadiness of work by others, upon which the Contractor's Work depends. The failure to ascertain and give written notice of the unsuitability thereof shall constitute Contractor's acceptance of others' work except as such defects may be of a latent nature, develop after completion of the Contractor's Work, and of which Contractor should not reasonably have been aware.

4.04 Acknowledgement of Security Contractor RFI

The successful bidder will acknowledge that NCPA will be contracting separately with RFI Communications and Security Systems for door access, phone and CCTV on the project. RFI will provide their own materials, supplies and management oversight. The successful bidder will be required to coordinate with RFI for installation of their portion of the project.

5.00 CONTROL OF WORK

5.01 The Work, from commencement to completion, shall be under the charge and control of the Contractor, except that during such period the Construction Manager retains the right to require, without additional cost to NCPA, reasonable modifications of the Contractor's Construction Schedule which, in the opinion of the Construction Manager, may be necessary to secure the safe and proper coordination of the progress of Work under this Contract. During such period of control by the Contractor, all risks in connection with the construction of the Work and the Materials to be used therein shall be borne by the

NCPA HQ Perimeter Security Fence Project

Public Works Contract

1/23/17

Contractor. The Contractor shall make good and fully repair all damages to the Work or any portion thereof under the control of the Contractor by reason of any act of God or other casualty or cause whether or not the same shall have occurred by reason of the Contractor's negligence.

5 COORDINATION OF DRAWINGS AND SPECIFICATIONS

6.01 Anything mentioned in the Technical Specifications and Plans and not shown on the drawings, or shown on the drawings and not mentioned in the Technical Specifications and Plans, shall be of like effect, as if shown or mentioned in both. In any case of difference in the figures, drawings and specifications, the matter shall be promptly submitted to the Construction Manager who shall make a decision regarding the controlling document in writing. Any adjustment by the Contractor without this determination shall be at Contractor's own risk and expense.

6.02 If the Contractor, in the course of the Work, finds any discrepancy between the drawings and the physical conditions of the locality, or any errors or omissions in the drawings or in the layout as given by points and instructions, it shall be its duty to immediately inform the Construction Manager in writing. Any work done after such discovery, until authorized by NCPA will be done at the Contractor's risk.

6.03 Revised copies of all drawings and specifications pertinent to the contract will be furnished by the Construction Manager, and the Contractor shall maintain an up-to-date, completely revised set of drawings and specifications on the job site. The Contractor shall keep an accurate record of all deviations from the approved design drawings and specifications which may occur in the Work as actually constructed and shall submit to the Construction Manager prior to request for final contract payment, prints and specifications showing complete information as required for the correction of the drawings to the "Record" condition.

6.04 Additional drawings necessary for the prosecution of the Work may be furnished by the Construction Manager. The Contractor shall request any additional instructions needed and shall do no Work without drawings and instructions, except as otherwise specified herein.

6 SEPARATE CONTRACTS

7.01 NCPA reserves the right to let other contracts in connection with this Work. The Contractor shall afford other contractors reasonable opportunity for the introduction and storage of their materials and the execution of their work and shall properly connect and coordinate its Work with theirs.

7.02 When the Contractor's Work depends for proper execution or results upon the work of any other contractor, the Contractor shall inspect and properly report, in writing, to the Construction Manager, defects in such work by any other contractor that render it unsuitable for proper execution of its Work. Its failure to so inspect shall constitute its acceptance of the other contractor's work as fit and proper for the reception of its Work except as to latent defects which may develop in the other Contractor's work.

7 SUBCONTRACTORS

8.01 The Contractor shall perform, directly and without subcontracting, not less than fifteen percent (15%) of the Work, to be calculated on the basis of the total contract price. No part of this contract shall be subcontracted after award without the prior written approval of NCPA and compliance with all relevant law regarding subcontractor substitution for public works projects.

8.02 If the Contractor shall subcontract any part of this contract, the Contractor shall be as fully responsible to NCPA for the acts and omissions of its subcontractors and of the persons, either directly or indirectly, employed by its subcontractors as it is for the acts or omissions of persons directly employed by itself.

8.03 Subcontractors of any tier shall not subcontract any part of the Work without first obtaining the approval of the Contractor and NCPA. All requests for subcontract or sub-subcontract approval shall be

NCPA HQ Perimeter Security Fence Project
Public Works Contract
1/23/17

made in writing and in the manner prescribed by NCPA.

9.00 CHANGES

9.01 NCPA may, at any time it deems necessary or desirable, require changes in the Work called for by the Contract Documents. The Construction Manager will notify the Contractor, in writing, of the details of the change. No increase in the contract price or extension of contract time will be made for a change if the Contractor does not advise the Construction Manager, in writing, within five (5) days after receipt of the notification of change, that additional costs and/or time extension will be required to make the change. Contractor shall submit to NCPA, in writing, a detailed breakdown of the additional costs and/or time extension required to make the change within 15 days of notification of change.

9.02 If Contractor advises the Construction Manager within the specified time, that additional costs will be required to make a change, no work shall commence on any change requested by the Construction Manager until there is mutual agreement on cost, or the method of determining the cost is established in writing, except as set forth in Section 10 herein.

9.03 In the event that the Contractor does not respond to the notification of change within the specified time limit, NCPA may issue a written order to the Contractor to proceed with a change, and the Contractor shall do so, without regard to whether a mutual agreement has been reached as to an amount of equitable price or time increase to which the Contractor is entitled or accounted to thereof.

9.04 Notwithstanding the foregoing, it is understood and agreed that the Construction Manager may, at any time, issue instruction to the Contractor requiring minor changes in the Work or schedule that are not inconsistent with the general intent of the Contract Documents, at no extra cost to NCPA.

10.00 CLAIMS

10.01 If the Contractor considers that:

A. Any instructions or changes issued by the Construction Manager, by drawing or otherwise, involves extra costs or time, the Contractor shall give written notice within five (5) days of such fact, and shall not proceed with the Work until receipt of NCPA's written directive to do so. Upon receipt of such a directive, the Contractor shall proceed in accordance therewith even though agreement may not have been reached as to whether the instructions require Work that is within or outside the scope of the Contract Documents, or, if outside, the amount of the equitable price or time adjustment to which the Contractor may be entitled for the performance thereof. No claim for such extra costs or time shall be allowed in the absence of the written directive and notice above specified. In the absence of either or both, the Contractor's claim for extra cost or time on account thereof shall be deemed to have been waived.

B. Any other act or omission of NCPA or the Construction Manager, or any of their agents, employees, contractors, subcontractors or suppliers, has caused or will cause the Contractor to incur extra costs or time not contemplated by the Contract Documents, the Contractor shall give the Construction Manager written notice thereof as promptly as is possible, and in no event later than five (5) days after the initial date of such acts or omissions. No claim for such extra costs or time shall be allowable in the absence of such timely written notice.

10.02 Any disputes in regard to Project shall be resolved under the disputes provisions of the Contract Documents, except for claims subject to Section 10.03.

10.03 This section shall govern any claim by the Contractor for: (1) an extension of time, including relief from damages or penalties for delay; (2) payment by NCPA of money or damages arising from work done by, or on behalf of, the Contractor, where the underlying contract does not expressly provide for payment or payment to which the Contractor is not otherwise entitled; or (3) the payment of an amount disputed by NCPA.

NCPA HQ Perimeter Security Fence Project
Public Works Contract
1/23/17

Contractor may submit to NCPA a claim for any of the three above-referenced matters. Contractor shall provide NCPA with reasonable documentation necessary to support its claim. Contractor shall submit its claim by registered mail or certified mail, return receipt requested.

NCPA, within forty-five (45) days of its receipt of the claim, unless such time is extended as referenced in this section, shall conduct a reasonable review of the claim and provide Contractor with a written statement identifying what portion of the claim NCPA disputes and what portion NCPA does not dispute.

The forty-five (45) day period referenced herein may be extended by mutual agreement of NCPA and Contractor or, if the NCPA Commission's approval is necessary to provide the Contractor with such a written statement, and the Commission does not meet within the 45-day period, NCPA shall have three (3) days following the Commission's next duly noticed public meeting to provide the Contractor with the written statement.

Payment on any undisputed portion of the claim shall occur within sixty (60) days of NCPA issuing the written statement.

If NCPA does not respond within the required time period, the claim shall be deemed rejected in its entirety.

If Contractor disputes NCPA's written statement as to of any portion of the claim, or if NCPA fails to respond within the specified time period, Contractor may demand in writing an informal conference to meet and confer for settlement of the dispute. Upon receipt of such demand by registered mail or certified mail, return receipt requested, NCPA shall schedule a meet and confer conference within thirty (30) days, to settle the dispute. Within ten (10) business days of the conclusion of the meet and confer conference, NCPA shall provide Contractor with a written statement identifying the portion and amount of the claim that remains in dispute, if any. If NCPA does not respond within the required time period, the entire claim shall be deemed to remain in dispute. NCPA shall pay any portion of the claim that is undisputed after the conference within sixty (60) days of NCPA issuing the written statement.

Any portion of the claim that remains disputed, as identified by the Contractor in writing, shall be submitted to nonbinding mediation. The Parties shall mutually agree on a mediator within ten (10) business days of the Contractor identifying the disputed portion of the claim in writing. If the Parties cannot agree upon a mediator, each Party shall select a mediator, and those mediators shall then select a qualified neutral third party to mediate. Each Party shall bear the fees and costs charged by its respective mediator, and the parties shall share all other fees and costs associated with the mediation equally. The parties may mutually agree, in writing, to waive mediation. If mediation is unsuccessful, civil litigation may be commenced, subject to all applicable laws and provisions of this Contract, including any obligation to arbitrate disputes. Unless otherwise agreed to by the Parties in writing, this mediation shall excuse any further obligation to mediate under Public Contract Code Section 20104.4. As used herein, "mediation" means any nonbinding process in which an independent third party assists the Parties in dispute resolution through negotiation or issuance of an evaluation.

If a subcontractor lacks legal standing to assert a claim against NCPA, the subcontractor may request that the Contractor present NCPA with a claim on behalf of the subcontractor or a lower tier subcontractor. The subcontractor shall furnish reasonable documentation to support the claim. Within forty-five (45) days of receipt of the request, Contractor shall provide subcontractor with a written statement confirming that the Contractor presented the claim to NCPA, or providing the reasons that the Contractor did not.

Upon receipt of a claim, the Parties may also mutually agree, in writing, to waive the provisions of this section and, instead, proceed directly to commencement of a civil action or binding arbitration.

Any payment not paid within the time period required by this Section shall bear interest at seven percent (7%) per annum.

NCPA HQ Perimeter Security Fence Project
Public Works Contract
1/23/17

All references to days in this section are to calendar days, unless otherwise specified.

11.00 UNSATISFACTORY PROGRESS

11.01 If at any time during the performance of the Work, in the opinion of the Construction Manager, the Contractor's progress on any phase of the Work shall fall behind that necessary to enable the Contractor to complete it by the date or dates guaranteed in the Contractor's bid and the dates established by schedules included in the Contract Documents, (as adjusted for the extension of time, if any, to which the Contractor is entitled under the provisions hereof), or if the Work, tools, plant or equipment of the Contractor appears to be or is insufficient, inefficient or inappropriate to secure the quality of the Work required, the Construction Manager may order the Contractor, at no extra expense to NCPA, to take such action as the Construction Manager deems necessary in order:

A. To meet those completion dates, including but not limited to, working additional or longer shifts and employing more labor and equipment.

B. To increase the efficiency of, improve the character of, augment the number of or to substitute new tools, plant or equipment of the Contractor as the case might be so as to secure the quality of Work required.

11.02 The Contractor must conform to any such order, but the failure of the Construction Manager to so order shall not relieve the Contractor of its obligation to secure the Work within the time schedule and of the quality required by the Contract Documents.

11.03 If the progress of the work falls behind schedule, the Contractor shall submit a written recovery program, to the Construction Manager, for bringing the work back on schedule so the critical dates will be maintained. Any overtime or multiple shift operations required to meet the scheduled and guaranteed completion dates shall be provided at no additional cost to NCPA. The Contractor shall submit a recovery program, satisfactory to the Construction Manager, with its progress payment request to the Construction Manager who shall approve the recovery schedule and program prior to processing the progress payment request.

12.00 PAYMENT WITHHELD

12.01 To the extent consistent with applicable law, NCPA may withhold payment of the whole or part of any sum due or claimed by the Contractor to such extent as may be reasonable or necessary to protect NCPA from loss on account of, or provide security as to, any of the following:

A. Defective work not remedied or guarantees not met.

B. Claims filed against Contractor or reasonable evidence indicating probable filing of claims against Contractor for payment.

C. Failure of the Contractor to make sufficient payment promptly to its laborers, suppliers or subcontractors.

D. A reasonable doubt that the contract can be completed for the balance then unpaid.

E. Damage to another contractor, third parties or to NCPA.

F. Failure of the Contractor to diligently prosecute the Work and maintain satisfactory progress required to meet the contract completion dates.

G. Any losses, damages, expense, and liability covered by the Indemnification provision in the NCPA HQ Perimeter Security Fence Project Public Works Contract
1/23/17

Contract Documents.

H. Liquidated damages.

I. Any other breach by the Contractor of its obligations under the Contract Documents.

J. Any other lawful basis for withholding progress payments.

12.02 Payment, without interest, will be made for amounts withheld when all of the above conditions are rectified, as applicable.

12.03 If the Construction Manager deems it inexpedient to correct work damaged or not done in accordance with the Contract Documents, an equitable deduction from the contract price shall be made therefore.

13.00 **SUBSURFACE EXCAVATION.**

13.01 Excavation More Than Four Feet Deep. If the Work involves excavation more than four feet deep, the Contractor must promptly notify the Agency in writing before disturbing: any material that the Contractor believes may be hazardous waste, as defined in Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II or Class III disposal site in accordance with provisions of existing law; any subsurface or latent physical conditions at the Work site differing from those indicated; or any unknown physical conditions at the Work site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents. The Agency will promptly investigate any such conditions for which notice is given. If the Agency finds that the conditions do materially differ, or involve hazardous waste, and would cause a decrease or increase in the cost or time of performance of the Work, the Agency will issue a change order pursuant to the provisions hereof. If a dispute arises between the Agency and the Contractor concerning whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the cost or time of performance, the Contractor will not be excused from any completion date provided in the Contract Documents, but shall proceed with all Work to be performed. The Contractor will retain all rights under contract or law pertaining to resolution of disputes and protests between contracting parties.

13.02 Excavation of Five Feet or More. In accordance with California Labor Code Section 6705, contractors performing contracts exceeding \$25,000 in cost and involving excavation five or more feet deep must submit for the Agency's acceptance, prior to excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during excavation. The detailed plan shall include any tabulated data and any design calculations used in the preparation of the plan. Excavation shall not begin until the detail plan has been reviewed and approved. If the plan varies from the shoring system standards, it must be prepared by a registered civil or structural engineer.

14.00 UTILITY RELOCATION COSTS.

14.01 In accordance with California Government Code Section 4215, the Agency assumes the responsibility for the timely removal, relocation or protection of existing main or trunkline utility facilities located on the Site if such utilities are not identified by the Agency in the Contract Documents. The Agency will compensate the Contractor for the costs of locating, repairing damage not due to the Contractor's failure to exercise reasonable care, and removing or relocating existing main or trunkline utility facilities located at the Site and not identified with reasonable accuracy in the Contract Documents. The Agency will also compensate the Contractor for the cost of equipment on the Project necessarily idled during such work. The Contractor will not be assessed liquidated damages for Work completion delays caused by the Agency's failure to provide for removal or relocation of such main or trunkline utility facilities.

14.02 Nothing in this provision or the Contract Documents will be deemed to require the Agency to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the Site can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes, on or adjacent to the Site; provided, however, that nothing in this provision or the Contract Documents shall relieve the Agency from identifying main or trunklines in the Contract Documents.

14.03 Nothing in this provision or the Contract Documents will preclude the Agency from pursuing any appropriate remedy against a utility for delays which are the responsibility of the utility.

14.04 Nothing in this provision or the Contract Documents will be construed to relieve a utility from any obligation as required either by law or by contract to pay the cost of removal or relocation of existing utility facilities.

14.05 If the Contractor while performing the Work discovers utility facilities not identified by the Agency in the Contract Documents, the Contractor must immediately notify the Agency and utility in writing.

14.06 Either the Agency or the utility, whichever owns existing main or trunkline utility facilities located on the Site, shall have sole discretion to effect repairs or relocation work or to permit the Contractor to perform such repairs or relocation work at a reasonable price.

15.00 USE AND POSSESSION PRIOR TO COMPLETION

15.01 NCPA shall have the right to take possession of or use any completed or partially completed part of the work. Prior to such possession or use, NCPA shall furnish the Contractor an itemized list of Work remaining to be performed or corrected on such portions of the project as are to be possessed or used by NCPA, provided that failure to list any of item of work shall not relieve the Contractor of responsibility for compliance with this Contract. Such possession or use shall not be deemed an acceptance of Work under this Contract. While NCPA has such possession or use, the Contractor, notwithstanding other provisions of this Contract, shall be relieved of responsibility of loss or damage to the Work resulting or arising out of such use or possession. If such use or possession delays the progress of the Work or causes additional expense to the Contractor, an equitable adjustment in the Contract price or time of completion will be made.

16.00 REVISIONS AND CHANGES TO CONTRACTOR'S SCOPE

16.01 For Work Covered By Unit Prices:

Work for which the Contractor has submitted unit prices in its bid shall be paid for at the unit price for each unit of work actually completed.

16.02 For Work Not Covered By Unit Prices:

Payment for work not covered by the contract Bid Item prices shall be, at the option of NCPA, either by a mutually agreed upon lump sum price or on a force account basis.

When work is to be paid for on a force account basis, the labor, materials and equipment used in the performance of such work shall be subject to the approval of NCPA, which approval will not be withheld provided the Contractor can demonstrate to the satisfaction of the Construction Manager that the work is being performed in an efficient and prudent manner.

Payment shall be made in accordance with the Contract Force Account Rates. No labor or equipment which do not have a force account rate set forth in the Contract shall be used on Force Account work until rates for such labor and equipment have been approved by the Agency.

The Contractor shall maintain its records in such manner as to provide a clear distinction between the direct costs of work paid for on a force-account basis and the costs of other operations.

On the following work day, the Contractor shall prepare and furnish to the Construction Manager report sheets in duplicate of each day's work paid for on a force-account basis. The daily report sheets shall itemize the materials used, cost of labor, the charges for equipment rental, and the costs of special items of work. The daily report sheets shall provide names or identification, and classifications of workmen, the hourly rate of pay and hours worked, and also the size, type and identification number of equipment, and hours operated. Cost shall be extended to show total cost for individual items and total cost for the day.

Material charges shall be substantiated by valid copies of vendor's invoices. Such invoices shall be submitted with the daily report sheets, or if not available, they shall be submitted with subsequent daily report sheets. Payment shall not be made for materials not substantiated by vendor's invoice.

The Construction Manager will compare NCPA records with completed daily force account work reports furnished by the Contractor and notify the Contractor of any changes or corrections found necessary. The Contractor shall make the changes or corrections found necessary by the Construction Manager; the Contractor may file a protest as provided in Paragraph 10.00, "CLAIMS". The Contractor shall be deemed to have consented to changes or corrections made by the Construction Manager if Contractor does not protest within five (5) days after the daily force account work report has been signed.

The Contractor's original cost records pertaining to work paid for on a force-account basis shall be open to inspection or audit by representatives of NCPA during the life of the Contract and for a period of not less than three (3) years after the date of acceptance thereof, and the Contractor shall retain such records for that period.

17.00 MATERIAL AND EQUIPMENT BY THE CONTRACTOR

17.01 Unless otherwise specified in writing, all materials furnished by the Contractor shall be new and both workmanship and materials shall be of good quality.

17.02 No material or equipment which is deemed by the Construction Manager to be experimental will be accepted as complying with the requirements of the Contract Documents. Equipment or material which is provided, but fails to comply with the requirements of the Contract Documents, shall be removed and replaced with complying equipment or material, at the Contractor's sole expense, provided however, that if the progress of the Work is such as to make such removal impractical, NCPA shall have the right to accept it and reduce the contract price by an amount equivalent to the difference in its value and the value of complying equipment or material. The Construction Manager may perform such factory or field tests as are deemed necessary to verify that equipment or material meets the performance standards set forth in the Contract Documents. The Contractor shall be permitted to be present during such tests.

17.03 Should equipment or material fail to meet such standards, the Contractor shall, at its own expense, modify, adjust, repair or replace same, as necessary, to assure compliance therewith and with other applicable requirements of the Contract Documents.

18.00 INSPECTION

18.01 NCPA reserves the right to conduct such inspection and by such inspectors as it sees fit and hereby requires that such inspectors shall have the right to inspect all Work as it progresses and shall have access to all data relevant to the performance of this Contract. The Contractor shall provide proper facilities for such access and inspection. If the specifications, laws, ordinances, or any public authority require any Work to be specifically done, tested or approved, the Contractor shall give the Construction Manager timely notice of its readiness for inspection. If any work shall be accomplished without approval or consent, it must, if required by the Construction Manager, be exposed for examination at the Contractor's expense.

19.00 PROTECTION OF PROPERTY AND PUBLIC LIABILITY

19.01 The Contractor shall be liable for any damages resulting from its operations. It shall be fully responsible for the protection of all persons including members of the public, employees of NCPA, other contractors or subcontractors and all public and private property including structures, sewers and utilities, above and below ground, along, beneath, above, across or near the site or sites of the Work, or other persons or property which are in any manner affected by the prosecution of the Work.

19.02 The Contractor shall furnish and maintain all necessary safety equipment including but not limited to, barriers, signs, warning lights, guards and fire protection equipment as required to provide adequate protection of persons and property.

20.00 CLIMATIC CONDITIONS

20.01 The Contractor shall take all necessary precautions to protect the Work against adverse climatic conditions.

20.02 The Construction Manager may order the Contractor to suspend any Work that may be subject to damage by climatic conditions. No extra payment will be made for any such delay due to suspension of Work.

20.03 The above stipulation shall not relieve the Contractor of its responsibility for damages done by the climatic conditions when, in the opinion of the Construction Manager, proper protection of the Work was not made.

21.00 CLEAN UP

21.01 The Contractor shall, except as otherwise specified, at all times, keep its construction and storage areas free from accumulation of weeds, waste material, rubbish, trash, or debris, including usable scrap material. Trash and combustible materials shall not be allowed to accumulate on the premises but shall be removed promptly from the site and disposed of by the Contractor.

21.02 If the Contractor does not keep the working and storage areas "broom clean," NCPA may have this work done by others and deduct the cost from any payment due the Contractor. The Contractor, upon completion of the Work, shall remove from the premises all tools, equipment, and surplus materials. All temporary structures and scaffolding erected by the Contractor in the course of the Work shall be removed and the premises left "broom clean" or its equivalent.

22.00 DELAYS AND EXTENSION OF TIME

22.01 In the event that the Contractor, in the performance of the Work, encounters delays, as a result of the total or partial suspension thereof, or interference therewith by NCPA or its other contractors, or as a result of other unforeseeable cause beyond the control and without fault or negligence of the Contractor such as acts of God, fire, flood, war, governmental priority control, rail car shortages and general strikes, the time specified in the Contractor's proposal or other applicable Contract Documents for the completion of the Work will be extended for a period properly reflecting the actual effect of such delays on the performance of the Work, provided that the Contractor, within five (5) days after the commencement of such delay, has given written notice thereof to the Construction Manager, and that determination will be governed by the disputes provisions of the Agreement. In making that determination, no extension of time will be allowed the Contractor for delays encountered in one or more phases of the Work that can be overcome by reasonable readjustments of the Contractor's planned progress on other phases of the Work.

22.02 The Contractor's sole remedy for delays that are the result of unforeseeable cause beyond the control and without fault of negligence of the Contractor, such as acts of God, fire, flood, war, governmental priority controls, rail car shortages, or general strikes shall be an extension of time as provided for herein. The Contractor shall not be entitled to any additional compensation or payment for extra costs or damages incurred by the Contractor due to hindrances of or delays to the progress of the Work from such causes.

22.03 In the event the Contractor encounters delays or extra costs as a result of the total or partial suspension of the Work or unreasonable interference therewith by NCPA or its other contractors, the Contractor shall promptly advise the Construction Manager, in writing, of such delay or cost in accordance with the provisions hereof. The Contractor shall also take immediate action upon incurring such delay or costs to minimize and mitigate the effect of such delay or cost. The Contractor shall promptly advise the Construction Manager, in writing, of the amount of the additional cost incurred due to the delay, if any, to which the Contractor believes it would be entitled. The adjustment of contract price or time to which the Contractor is entitled shall be determined in accordance with the provisions of CLAIMS, hereof.

23.00 LAWS, ORDINANCES, AND REGULATIONS

23.01 The Contractor and all persons acting by, through or under Contractor, shall comply with all applicable local public and building ordinances, all applicable laws of the State of California, and any other laws, ordinances, and regulations of any applicable governmental body in the performance of Work, and the Contractor shall protect NCPA, the Construction Manager and their agents, employees, contractors, subcontractors or suppliers, from all damages arising from violation of any of such ordinances, laws and regulations of any kind resulting from Contractor's operation in the performance of the Contract.

23.02 The Contractor agrees that it and its subcontractors will pay to the Unemployment Compensation Fund of the State of California all unemployment contributions and interest due on wages paid in the State of California to individuals in the performance of this contract.

23.03 No person under the age of eighteen years shall be employed by the Contractor at the site. No person whose age or physical condition is such as to make that person's employment dangerous to that person's health or safety, or to the health or safety of others, shall be employed on the site; provided, that this shall not operate against the employment of physically handicapped persons, otherwise employable, where such persons may be safely assigned to tasks they can ably perform.

23.04 Workers who are citizens of the U.S. or otherwise authorized to work in the U.S. shall be employed by the Contractor whenever possible for the performance of the contract, and the Contractor will maintain fair labor standards in its performance.

23.05 Neither the Contractor nor its subcontractors shall discriminate against any employee, or applicant for employment, to be employed in the performance of the contract, with respect to its hire, tenure, terms, conditions, or privilege of employment because of its race, color, religion, sex, sexual orientation, or national origin.

23.06 Pursuant to the provisions of Labor Code Sections 1770 *et seq.*, the Director of Industrial Relations for the State has ascertained the current general prevailing rate of wages for employees the relevant geographic area in the State of California.

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 anytime.

Contractor shall be required to submit to NCPA 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 contract.

The Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, the Contractor shall forfeit as a penalty to NCPA \$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 contract 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. Pursuant to Section 1773, NCPA has obtained the general prevailing rate of wages applicable to the work to be done, for straight time, overtime, Saturday, Sunday and holiday work.

23.07 The Contractor shall post all applicable job site notices required by regulation, including those set forth by the California Department of Industrial Relations.

24.00 TELEPHONES, INTERNET, AND OTHER TEMPORARY UTILITIES

24.01 The Contractor shall be responsible for all arrangements required in connection with telephone, internet, and other temporary utilities not specifically mentioned in the Contract Documents.

24.02 Locations of and reason for Contractor's temporary utility services shall be subject to approval by the Construction Manager before installation. Record drawings shall be made immediately upon installation and given to the Construction Manager.

24.03 All temporary utilities shall be removed, prior to final payment, subject to coordination and approval of the Construction Manager.

25.00 GUARANTEES

25.01 The Contractor shall and does hereby warrant that the Work provided hereunder will conform to the Contract Documents, including those relating to performance, which are a part of the Contract Documents. The Contractor shall and does hereby further warrant that the Work will be free of defects in workmanship and material.

25.02 If, within three (3) years after final payment by NCPA or date of acceptance as hereinafter defined (or such longer period of time as may be prescribed by law or by the terms of any applicable special guarantees required by the Contract Documents), any of the Work is found to be defective or not in accordance with the Contract Documents. NCPA shall so notify the Contractor in writing.

25.03 Promptly upon receipt of such notification, the Contractor shall, without cost to NCPA, proceed with such replacement or corrections of the Work as are necessary in order to make it comply with the Contract Documents. The Contractor shall also bear the cost of making good work of separate contractors destroyed or damaged in such replacement or correction, as well as the cost of any uncovering, disassembling, or reassembling of such separate contractors' work.

25.04 The warranty on such replacement or corrections shall be on the same terms as set forth above, and shall extend from the date of their completion.

26.00 OCCUPATIONAL SAFETY AND HEALTH

26.01 At all times during the performance of the Work, the Contractor shall exercise precaution for the protection of persons and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery and equipment and other hazards shall be guarded in accordance with the safety provisions of the Manual of Accident Prevention in Construction, published by the Associated General Contractors of America, to the extent that such provisions are not inconsistent with applicable law or regulations.

26.02 The Contractor agrees to comply with the provisions of the Occupational Safety and Health Act of 1970 including any and all applicable amendments and the standards and regulations issued thereunder and interpretations thereof. The Contractor agrees to indemnify and hold harmless NCPA, its agents, employees, contractors, subcontractors or suppliers against all damages, including fines or penalties, suffered by them as a result of the Contractor's failure to comply with the Act of the standards issued thereunder. This indemnification shall be subject to any limits of applicable law.

26.03 The Contractor agrees to take immediate remedial action to correct any unsafe condition and when so ordered, to stop any part of the Work which NCPA deems to be unsafe until appropriate corrective measures for additional costs or damages resulting from such stoppages. Should Contractor, after due notice, fail to adopt the correct measures, NCPA may have them implemented and deduct the cost from payment otherwise due the Contractor. Failure on the part of NCPA or the Construction Manager, or their representatives to notify the Contractor of any unsafe condition or practices shall not relieve the Contract of its responsibility.

27.00 ACCIDENTS

27.01 Unless otherwise specified in the Contract Documents, the Contractor shall provide or have provided, at the site such equipment and medical facilities as are necessary to supply first aid service to its employees who may be injured in connection with the Work. The Contractor must promptly report to NCPA, in writing, all accidents whatsoever arising out of, or in connection with, the performance of the Work, whether on or adjacent to the site, which caused death, personal injuries or property damage, giving full details and statements of witnesses. In addition, if death or serious injuries or serious damages are caused, the accident shall be reported immediately by telephone or messenger to the Construction Manager.

27.02 If any claim is made by anyone against the Contractor or any subcontractor on account of any accident, the Contractor shall promptly report the facts to NCPA in writing, giving full details of the claim.

28.00 PATENTS AND ROYALTIES

28.01 If any of the Work or equipment proposed to be furnished by the Contractor is covered by claims or patents of any nature, the Contractor will be required to pay all royalties thereon.

28.02 The Contractor shall save, indemnify and hold harmless NCPA and the Construction Manager against any damages or suit for damages brought by anyone on account of claims for infringements of patents and will hold itself strictly responsible for any delay or cost resulting from its failure to fully protect NCPA and the Construction Manager against patent rights

28.03 In case the Work or equipment is in such suit held to constitute infringement and the use thereof is enjoined the Contractor shall, at its own expense, either procure for NCPA the right to continue using same, or modify it so it becomes non-fringing without affecting the quality or performance of any guarantee applicable to the original.

29.00 SUSPENSION OF WORK

29.01 NCPA may at any time, and from time to time, by written notice to Contractor, suspend Work on this Contract. The notice of suspension shall specify the date of suspension and the estimated duration of the suspension. Upon receiving any such notice of suspension, Contractor shall promptly suspend further performance of the Contract to the extent specified, and during the period of such suspension shall properly care for and protect all Work in progress and materials, supplies, and equipment Contractor has on hand for performance of the Contract. NCPA may at any time withdraw the suspension of the performance of the Contract as to all or part of the suspended performance by written notice to Contractor specifying the effective date and scope of withdrawal, and Contractor shall resume diligent performance of the work for which the suspension is withdrawn on the specified date of withdrawal.

29.02 Except where precluded elsewhere in this Contract, if the Contractor believes that any such suspension or withdrawal of suspension justifies modification of the price, the Contractor shall promptly submit a written claim for such modification of the price. Contractor's claim for modification of the price shall substantiate the Contractor's increase cost with invoices, payroll documents and other documents satisfactory to NCPA. Upon verification and approval of such additional cost, NCPA and the Contractor shall agree in writing upon an adjustment in the price based upon such verified and approved additional costs as full settlement to the Contractor for the suspension or withdrawal of the suspension. In no event

shall Contractor be entitled to any prospective profits or any damages because of such suspensions or withdrawals of suspension.

30.00 TERMINATION FOR THE CONVENIENCE OF NCPA

30.01 NCPA may, for its convenience, cancel and terminate the Contract in whole, or from time to time in part, at any time by written notice thereof to the Contractor. Upon any such cancellation and termination the Contractor agrees to waive any claims for damages, including loss or anticipated profits, on account thereof. But as the sole right and remedy of the Contract and NCPA, NCPA shall pay the Contractor in accordance with Subparagraph (B) below, provided, however, that the provisions of the Contract, which by their very nature survive acceptance of the work under the Contract, shall remain in full force and effect after such cancellation and termination to the extent provided in such provisions.

A. Upon receipt of any such notice, the Contractor shall, unless the notice directs otherwise:

1. Immediately discontinue the work on the date and to the extent specified in the notice;
2. Place no further orders or subcontracts for materials, services, or facilities, other than as may be necessary for completion of such portion of the work under the Contract as is not terminated;
3. Promptly make every reasonable effort to procure cancellation upon terms satisfactory to NCPA of all orders and subcontracts to the extent they relate to the performance of work terminated; and
4. Assist NCPA as specifically requested, in writing, the maintenance, protection and disposition of property acquired by NCPA under the Contract.

B. Upon any such termination, NCPA will pay an amount to the Contractor determined in accordance with the following (without duplication of any item):

1. All amounts due and not previously paid to the Contractor for work completed in accordance with the Contract prior to such notice;
2. The cost for work thereafter completed as specified in such notice;
3. The cost of settling and paying fair and reasonable claims arising out of the termination of work under subcontracts or orders as provided in Subparagraph (A)(3) above;
4. The reasonable costs incurred pursuant to Subparagraph (A)(4) above;
5. Any other reasonable costs incidental to such termination of work; and
6. The foregoing amounts stated in Subparagraph (B)(2), (3), (4) and (5) shall include a reasonable sum as profit for the work performed by the Contractor, as determined by NCPA.

C. If Contractor is not satisfied with the payment made hereunder, it may file a claim with NCPA for a decision pursuant to the Contract Documents. Acceptance by the Contractor of such payment shall have the same effect as acceptance of the final payment made pursuant to the Agreement.

31.00 TERMINATION FOR DEFAULT

31.01 If Contractor refuses or fails to prosecute the Work, or any separable part thereof, with such diligence as will insure its completion within the time specified in the Contract, or any extension thereof, or fails to complete the Work within such time, NCPA may, by written notice to Contractor, terminate its right to proceed with the Work or such part of the Work as to which there has been delay. In such event, NCPA may take over the Work and prosecute the same to completion, by contract or otherwise, and may take possession of and utilize in completing the Work such materials, appliances, and plant as may be on

NCPA HQ Perimeter Security Fence Project
Public Works Contract
1/23/17

the site of the Work and necessary therefore. Whether or not Contractor's right to proceed with the Work is terminated, it and its sureties shall be liable for any damage to NCPA resulting from its refusal or failure to complete the Work within the specified time.

31.02 If, after notice of termination of Contractor's right to proceed under the provisions of this clause, it is determined for any reason that Contractor was not in default under the provisions of this clause, or that the delay was excusable under the provisions of this clause, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant hereto.

32.00 DATE OF ACCEPTANCE

32.01 For the purpose of warranty, final payments, and other provisions of this Contract, Date of Acceptance is defined as completion of the installation work covered under this Contract and the written acceptance of the work by NCPA.

32.02 NCPA may require that plant areas and systems be occupied and utilized upon substantial completion of the work. Upon occupation or utilization, NCPA shall prepare a punch list for the Contractor, reflecting all uncompleted and unacceptable items remaining. Successful operation of the areas and systems so occupied shall not be obtained until all items appearing on the punch list are resolved by, and at the expense of, the Contractor. When the punch list work is done, the Contractor shall request a final inspection by the Construction Manager. Inspection shall not be limited to the items appearing on the punch list and shall be "final" only upon the complete acceptance by NCPA and the Construction Manager.

33.00 SEVERABILITY

33.01 The invalidity, in whole or in part, of any provision hereof will not affect the validity of any other provision hereof.

34.00 CAPTIONS

34.01 The captions used in the Contract Documents are for convenience only and shall not control or affect the meaning or construction of any of the provisions thereof

35.00 ACKNOWLEDGEMENT OF CONDITIONS OF APPROVAL

35.01 The successful bidder shall comply with, and be solely responsible for compliance with, certain Conditions of Approval imposed by the City of Roseville related to the design review and tree permit approval of the Project (City of Roseville File #PL16-0345). The successful bidder shall comply with, and be responsible for compliance with, the following requirements, including, but not limited to, payment of any extra cash deposits or bonds over and above the \$10,000 deposit made by NCPA to secure the permit (item #4 in the Permit Conditions and Compliance Verification/Inspection Checklist below), and the payment of any and all fines levied against the project or owner, or forfeiture of the item #4 deposit or any portion thereof, for failure to comply.

CONDITIONS OF APPROVAL

INFILL PCL 275 - NORTHERN CALIFORNIA POWER AGENCY SECURITY FENCE & 651 COMMERCE DR
FILE # PL16-0345; PROJECT TYPE: DRP-MOD & TP

DRPMOD CONDITIONS – [Intentionally Omitted]

PRIOR TO ISSUANCE OF BUILDING PERMITS

[Items 1-10 Intentionally Omitted]

11. The fence is to be installed a minimum of 5 feet from all water meters and backflows.
(Environmental Utilities)

[Items 12-16 Intentionally Omitted]

DURING CONSTRUCTION & PRIOR TO ISSUANCE OF OCCUPANCY PERMITS:

17. Any facilities proposed for placement within public/electric utility easements shall be subject to review and approval by the Electric Department before any work commences in these areas. This includes, but is not limited to, landscaping, lighting, paving, signs, trees, walls, and structures of any type.
(Electric)

18. The required width of fire apparatus access roads shall not be obstructed in any manner, including the parking of vehicles. Minimum required widths and vertical clearances established by the Fire Code shall be maintained at all times during construction. Closure of accesses for fire apparatus by gates, barricades and other devices shall be prohibited unless approved by the Fire Chief. (Fire)

19. The project is subject to the noise standards established in the City's Noise Ordinance. In accordance with the City's Noise Ordinance project construction is exempt between the hours of seven a.m. and seven p.m. Monday through Friday, and between the hours of eight a.m. and eight p.m. Saturday and Sunday. Provided, however, that all construction equipment shall be fitted with factory installed muffling devices and that all construction equipment shall be maintained in good working order.
(Building)

[Item 20 Intentionally Omitted]

PERMIT CONDITIONS AND COMPLIANCE VERIFICATION/INSPECTION CHECKLIST

CONDITION	COMPLIANCE VERIFIED/ INSPECTED	COMMENTS
PRIOR TO ISSUANCE OF ANY PERMITS OR ANY CONSTRUCTION ON-SITE		
1. All recommendations contained in the Arborist Report (Exhibit C) shall be incorporated as part of these conditions except as modified herein. (Planning)		
2. All native oak trees shall remain in place. (Planning)		
3. No activity shall be permitted within the protected zone of any native oak tree beyond those identified by this report. Encroachment into the protected zone of Trees 401-404 & 406-412 as shown in Exhibit C and described in the staff report is permitted. (Planning)		
4. A \$10,000 cash deposit or bond (or other means of security provided to the satisfaction of the Planning Department) shall be posted to insure the preservation of all remaining trees during construction. The cash deposit or bond shall be posted in a form approved by the City Attorney. Each occurrence of a violation on any condition regarding tree preservation shall result in forfeiture of all or a portion of the cash deposit or bond. (Planning)		
5. A violation of any of the conditions of this Tree Permit is a violation of the Roseville Municipal Code, the Zoning Ordinance (Chapter 19.74) and the Tree Preservation Ordinance (Chapter 19.66). Penalties for violation of any of the conditions of approval may include forfeiture of the bond, suspension or revocation of the permit, payment of restitution, and criminal penalties. (Planning)		
DURING CONSTRUCTION		
6. The following information must be located on-site during construction activities: Arborist Report; Approved site plan/improvement plans including fencing plan; and, Conditions of approval for the Tree Permit. All construction must follow the approved plans for this tree permit without exception. (Planning)		
7. If any native ground surface fabric within the Protected Zone must be removed for any reason, it shall be replaced within forty-eight (48) hours. (Planning)		
8. Storage or parking of materials, equipment and vehicles is not permitted within the protected zone of any oak tree. Vehicles and other heavy equipment shall not be operated within the Protected Zone of any oak tree. (Planning)		
PRIOR TO ISSUANCE OF AN OCCUPANCY PERMIT		
9. Within 5 days of the completion of construction, a Certification Letter from a certified arborist shall be submitted to and approved by the Planning Department. The certification letter shall attest to all of the work (regulated activity) that was conducted in the protected zone of the tree, either being in conformance with this permit or of the required mitigation still needing to be performed. (Planning)		

10. A copy of this completed Tree Permit Compliance Verification/Inspection form shall be submitted to the Planning Department. (Planning)		
11. The approval of this Tree Permit shall expire on the same date as the Design Review Permit Modification (PL16-0345). (Planning)		

36.00 ADDENDA & REQUESTS FOR INFORMATION – All addenda and requests for information released in the two previous rounds of bidding that remain substantive to the project are incorporated below.

36.01 Encroachment Permit - The contractor will be responsible for submitting for an encroachment permit with the City of Roseville for any anticipated work that is needed within the City right of way, however, NCPA will pay the fee for the permit. The contractor is also responsible for submitting traffic control plans or any necessary documents required for the permit that the City of Roseville requests.

36.02 Access on West Side of Project - The contractor may use the existing fire road around the building for access and fence installation along the west side of the property, but may not block Fire Department access. The contractor may also travel over the open field with caution as long as they provide for fighting fires and such equipment is readily available. Except for minor foot traffic during rail and pale installation, the contractor may not access the perimeter installation on the City of Roseville side by vehicle unless they have received necessary permits and permission from the City of Roseville.

36.03 Landscaping – Minor landscaping needs (tree delimiting, brush trimming, sprinkler relocation, etc.) shall be identified by the contractor prior to digging post holes. The work shall be completed by NCPA’s landscaper and paid for by NCPA. Note, however, that all bush, grass removal and grading associated with the installation of vehicle gate #2 and the pedestrian gate shall be the responsibility of the contractor.

36.04 Spoils – Spoils may be placed anywhere in the empty field, if spread out evenly.

36.05 Staging Materials – The contractor may use any area and any size within the open field to stage materials, but must adhere to the requirements of the Tree Permit and coordinate size and location with the project manager. Fencing around a staging area is at the option of the contractor and security is allowed, although must be coordinated with the project manager. NCPA is not responsible for maintaining the security of the staging area(s).

36.06 Pipe Gate – The contractor is responsible for removing the pipe gate from its posts and placing it in the field next to the pavestone refuge area for future use by NCPA.

36.07 Tree Permit – The tree permit requires that an arborist inspect the project at different phases and submit a report of compliance to the City at project completion. NCPA will provide and pay for the arborist and their report.

36.08 Special Inspection & Testing Agreement – The City requires a Special Inspection and Testing form be filled out prior to NCPA being issued permits for the project. The special inspection and testing process applies to the observation of the installation of the post anchors on the barrier wall belonging to the City along Cirby Way. It requires a special inspector be present during the installation of the anchors to assure they are installed in accordance with the plans. The successful bidder will be responsible for contracting with a firm that is pre-approved by the City of Roseville for “Post Installed Anchors”. That firm will need to be onsite during the epoxying process for all anchors installed in the wall (drawing C5). Because the permit requires every hole to be inspected, prior to the inspector arriving, the holes shall be drilled, swept and blown so that he/she can easily inspect the hole depth, the epoxy expiration date, the

NCPA HQ Perimeter Security Fence Project
Public Works Contract
1/23/17

proper mixing of the epoxy components, the installation of the anchors and anything else necessary to satisfy the City's requirements. A link to the City's website for Approved Special Inspection Agencies - 2016 appears below. (Note: not all special inspection agencies on the list are approved for post installed anchors)

<https://www.roseville.ca.us/civicax/filebank/blobdload.aspx?BlobID=33422>

36.09 Building Permit – NCPA will be responsible for acquiring and paying for permits for the project.

36.10 Roseville Electric Contact Information – Neil Bloomquist (916) 746-1662

36.11 CAT-6 Cable – The contractor shall use plenum rated CAT-6 cable inside the building for the estimated 150ft from the electrical room to the junction box located in the SW corner. At the junction box, switch to outdoor rated cable for the run from the building penetration to the gate pedestal. Use of a biscuit jack in the junction box is acceptable.

36.12 Under Driveway Raceway – The under driveway raceway shown on drawing E1 does not exist. It will be necessary to remove the 2ft x 2ft gravel stabilizer pads, trench across the driveway following the path of the existing ¾" conduit, install the new conduit and backfill and replace the stabilizer pads and gravel.

36.13 Utility Enclosures – The contractor shall use two utility enclosures (Christy Boxes) instead of one at each of the three locations identified on drawing E1; one for high voltage and one for low voltage. Refer to them as Christy box #1-A for high voltage and #1-B for low voltage. Follow that same naming convention for locations 2 & 3. Resize them accordingly to accommodate the conduit that will be running through them.

36.14 Pedestrian Gate – As described in the project book, the gate shall have a header, a closure transom, a kick plate, security screen and be prepped for the gate hardware described. Additionally, it shall have a security hood to protect the panic bar push rail.

36.15 Cable Run in Fence Rail & Under Sidewalk – The cable run called out for in the RFI shop drawings from the security enclosure at the gate operator to the enclosure at the pedestrian gate is to be run open (without conduit) in the fence rail, held in with clips and enclosed with the plastic covers available from Ameristar. From the enclosure at the pedestrian gate to the hinge side of the gate, the cable shall be run in conduit under the sidewalk.

36.16 Department of Industrial Relations (DIR) Project # – Within ten (10) calendar days following the Notice to Proceed, NCPA will register the project with the DIR and provide the Successful Bidder with a project number for themselves, their subcontractors and their suppliers.

TECHNICAL PLANS AND SPECIFICATIONS

1.0 Claims

Procedures for the Contractor to make claims for: (1) an extension of time, including relief from damages or penalties for delay; (2) payment by NCPA of money or damages arising from work done by, or on behalf of, the Contractor, where the underlying contract does not expressly provide for payment or payment to which the Contractor is not otherwise entitled, or (3) the payment of an amount disputed by NCPA are set forth in Section 10.03 of the General Conditions.

2.0 Project Book

10-Structural Portland Cement Concrete

DESCRIPTION

10-1.1 This item shall consist of plain or reinforced structural portland cement concrete (PCC), prepared and constructed in accordance with these specifications, at the locations and of the form and dimensions shown on the plans. This specification shall be used for all structural and miscellaneous concrete including signage bases.

MATERIALS

10-2.1 General. Only approved materials, conforming to the requirements of these specifications, shall be used in the work. Materials may be subject to inspection and tests at any time during their preparation or use. The source of all materials shall be approved by the Engineer before delivery or use in the work. Representative preliminary samples of the materials shall be submitted by the Contractor, when required, for examination and test. Materials shall be stored and handled to ensure preservation of their quality and fitness for use and shall be located to facilitate prompt inspection. All equipment for handling and transporting materials and concrete must be clean before any material or concrete is placed in them.

The use of pit-run aggregates shall not be permitted unless the pit-run aggregate has been screened and washed, and all fine and coarse aggregates stored separately and kept clean. The mixing of different aggregates from different sources in one storage stockpile or alternating batches of different aggregates shall not be permitted.

a. Reactivity. Fine and Coarse aggregates to be used in all concrete shall be evaluated and tested by the Contractor for alkali-aggregate reactivity in accordance with both ASTM C1260 and C1567. Aggregate and mix proportion reactivity tests shall be performed for each project.

(1) Coarse and fine aggregate shall be tested separately in accordance with ASTM C1260. The aggregate shall be considered innocuous if the expansion of test specimens, tested in accordance with ASTM C1260, does not exceed 0.10% at 28 days (30 days from casting).

(2) Combined coarse and fine aggregate shall be tested in accordance with ASTM C1567, modified for combined aggregates, using the proposed mixture design proportions of aggregates, cementitious materials, and/or specific reactivity reducing chemicals. If lithium nitrate is proposed for use with or without supplementary cementitious materials, the aggregates shall be tested in accordance with Corps of Engineers (COE) CRD C662. If lithium nitrate admixture is used, it shall be nominal 30% \pm 0.5% weight lithium nitrate in water.

(3) If the expansion of the proposed combined materials test specimens, tested in accordance with ASTM C1567, modified for combined aggregates, or COE CRD C662, does not exceed 0.10% at 28 days, the proposed combined materials will be accepted. If the expansion of the proposed combined materials test specimens is greater than 0.10% at 28 days, the aggregates will not be accepted unless adjustments to the combined materials mixture can reduce the expansion to less than 0.10% at 28 days, or new aggregates shall be evaluated and tested.

10-2.2 Coarse aggregate. The coarse aggregate for concrete shall meet the requirements of ASTM C33. The Engineer may consider and reserve final approval of other State classification procedures addressing aggregate durability.

Coarse aggregate shall be well graded from coarse to fine and shall meet the following gradation shown in the table below when tested per ASTM C136.

Gradation For Coarse Aggregate

Sieve Designation (square openings)	Percentage by Weight Passing Sieves						
	2" (50 mm)	1-1/2" (38 mm)	1" (25 mm)	3/4" (19 mm)	1/2" (12 mm)	3/8" (9 mm)	No. 4
No. 4 to 3/4 in. (4.75-19 mm)			100	90-100		20-55	0-10
No. 4 to 1 in. (4.75-25 mm)		100	90-100		25-60		0-10
No. 4 to 1-1/2 in. (4.75-38 mm)	100	95-100		35-70		10-30	0-5

10-2.2.1 Aggregate susceptibility to durability (D) cracking. Aggregates that have a history of D- cracking shall not be used.

Coarse aggregate may be accepted from sources that have a 20 year service history for the same gradation to be supplied with no durability issues.

a. Material currently being produced shall have a durability factor ≥ 95 using ASTM C666. Coarse aggregates that are crushed granite, calcite cemented sandstone, quartzite, basalt, diabase, rhyolite or trap rock are considered to meet the D-cracking test but must meet all other quality tests. Aggregates meeting State Highway Department material specifications may be acceptable with concurrence of the FAA.

b. The Contractor shall submit a current certification that the aggregate does not have a history of D- cracking and that the aggregate meets the state specifications for use in PCC pavement for use on interstate highways. Certifications, tests and any history reports must be for the same gradation as being proposed for use on the project. Certifications which are not dated or which are over one (1) year old or which are for different gradations will not be accepted. Test results will only be accepted when tests were performed by a State Department of Transportation (DOT) materials laboratory or an accredited laboratory.

10-2.3 Fine aggregate. The fine aggregate for concrete shall meet the requirements of ASTM C33.

The fine aggregate shall be well graded from fine to coarse and shall meet the requirements of the table below when tested in accordance with ASTM C136:

Gradation For Fine Aggregate

Sieve Designation (square openings)	Percentage by Weight Passing Sieves
3/8 inch (9 mm) No. 4	100
(4.75 mm) No. 16 (1.18 mm) No. 30 (0.60 mm)	95-100 45-80
No. 50 (0.30 mm) No. 100 (0.15 mm)	25-55 10-30 2-10

Blending will be permitted, if necessary, to meet the gradation requirements for fine aggregate. Fine aggregate deficient in the percentage of material passing the No. 50 mesh sieve may be accepted, if the deficiency does not exceed 5% and is remedied by the addition of pozzolanic or cementitious materials other than Portland cement, as specified in paragraph 10-2.6, Admixtures, in sufficient quantity to produce the required workability as approved by the Engineer.

10-2.4 Cement. Cement shall conform to the requirements of ASTM C150 Type II.

If aggregates are deemed innocuous when tested in accordance with paragraph 10-2.1.a.1 and accepted in accordance with paragraph 10-2.1.a.3, higher equivalent alkali content in the cement may be allowed if approved by the Engineer and FAA. If cement becomes partially set or contains lumps of caked cement, it shall be rejected. Cement salvaged from discarded or used bags shall not be used.

The Contractor shall furnish vendors' certified test reports for each carload, or equivalent, of cement shipped to the project. The report shall be delivered to the Engineer before use of the cement is granted. All test reports shall be subject to verification by testing sample materials received for use on the project.

10-2.5 Water. The water used in concrete shall be fresh, clean and potable; free from injurious amounts of oils, acids, alkalies, salts, organic materials or other substances deleterious to concrete.

10-2.6 Admixtures and supplementary cementitious material. The Contractor shall submit certificates indicating that the material to be furnished meets all of the requirements indicated below. In addition, the Engineer may require the Contractor to submit complete test data from an approved laboratory showing that the material to be furnished meets all of the requirements of the cited specifications. Subsequent tests may be made of samples taken by the Engineer from the supply of the material being furnished or proposed for use on the work to determine whether the admixture is uniform in quality with that approved.

a. Air-entraining admixtures. Air-entraining admixtures shall meet the requirements of ASTM C260 and shall consistently entrain the air content in the specified ranges under field conditions. The air-entrainment agent and any water reducer admixture shall be compatible.

b. Water-reducing admixtures. Water-reducing admixture shall meet the requirements of ASTM C494, Type A, B, or D. ASTM C494, Type F and G high range water reducing admixtures and ASTM C1017 flowable admixtures shall not be used.

c. Other chemical admixtures. The use of set retarding, and set-accelerating admixtures shall be approved by the Engineer. Retarding shall meet the requirements of ASTM C494, Type A, B, or D and set-accelerating shall meet the requirements of ASTM C494, Type C. Calcium chloride and admixtures containing calcium chloride shall not be used.

d. Lithium nitrate. The lithium admixture shall be a nominal 30% aqueous solution of Lithium Nitrate, with a density of 10 pounds/gallon (1.2 kg/L), and shall have the approximate chemical form as shown below:

Constituent	Limit (Percent by Mass)
LiNO ₃ (Lithium Nitrate)	30 ±0.5
SO ₄ (Sulfate Ion)	0.1 (max)
Cl (Chloride Ion)	0.2 (max)
Na (Sodium Ion)	0.1 (max)
K (Potassium Ion)	0.1 (max)

Provide a trained representative to supervise the lithium nitrate admixture dispensing and mixing operations.

10-2.7 Premolded joint material. Premolded joint material for expansion joints shall meet the requirements of ASTM D1751 or D1752.

10-2.8 Joint filler. The filler for joints shall meet the requirements of Item P-605, unless otherwise specified.

10-2.9 Steel reinforcement. Reinforcing shall consist of deformed bars or new billet steel with a minimum yield strength of 60,000 psi conforming to the requirements of ASTM A615, Grade 60. Epoxy coated reinforcing bars shall meet the requirements of ASTM A775.

10-2.10 Materials for curing concrete. Curing materials shall conform to one of the following specifications.

The Engineer shall select one or more of the following:

Waterproof paper	ASTM C171
Clear or white Polyethylene Sheeting	ASTM C171
White-pigmented Liquid Membrane-Forming Compound, Type 2, Class B	ASTM C309

CONSTRUCTION METHODS

10-3.1 General. The Contractor shall furnish all labor, materials, and services necessary for, and incidental to, the completion of all work as shown on the drawings and specified here. All machinery and equipment used by the Contractor on the work, shall be of sufficient size to meet the requirements of the work. All work shall be subject to the inspection and approval of the Engineer.

10-3.2 Concrete composition. The concrete shall develop a compressive strength of 3,000 psi in 28 days as determined by test cylinders made in accordance with ASTM C31 and tested in accordance with ASTM C39. The concrete shall contain not less than 470 pounds of cement per cubic yard (280 kg per cubic meter). The concrete shall contain 5% of entrained air, ±1%, as determined by ASTM C231 and shall have a slump of not more than 4 inches (100 mm) as determined by ASTM C143.

10-3.3 Acceptance sampling and testing. Concrete for each structure will be accepted on the basis of the compressive strength specified in paragraph 10-3.2. The concrete shall be sampled in accordance with ASTM C172. Concrete cylindrical compressive strength specimens shall be made in accordance with ASTM C31 and tested in accordance with ASTM C39. The Contractor shall cure and store the test specimens under such conditions as directed by the Engineer. The Engineer will make the actual tests on the specimens at no expense to the Contractor.

10-3.4 Qualifications for concrete testing service. Perform concrete testing by an approved laboratory and inspection service experienced in sampling and testing concrete. Testing agency must meet the requirements of ASTM C1077 or ASTM E329.

10-3.5 Proportioning and measuring devices. When package cement is used, the quantity for each batch shall be equal to one or more whole sacks of cement. The aggregates shall be measured separately by weight. If aggregates are delivered to the mixer in batch trucks, the exact amount for each mixer charge shall be contained in each batch compartment. Weighing boxes or hoppers shall be approved by the Engineer and shall provide means of regulating the flow of aggregates into the batch box so the required, exact weight of aggregates is obtained.

10-3.6 Consistency. The consistency of the concrete shall be determined by the slump test specified in ASTM C143.

10-3.7 Mixing. Concrete may be mixed at the construction site, at a central point, or wholly or in part in truck mixers. The concrete shall be mixed and delivered in accordance with the requirements of ASTM C94.

10-3.8 Mixing conditions. The concrete shall be mixed only in quantities required for immediate use. Concrete shall not be mixed while the air temperature is below 40°F (4°C) without permission of the Engineer. If permission is granted for mixing under such conditions, aggregates or water, or both, shall be heated and the concrete shall be placed at a temperature not less than 50°F (10°C) nor more than 100°F (38°C). The Contractor shall be held responsible for any defective work, resulting from freezing or injury in any manner during placing and curing, and shall replace such work at his expense.

Retempering of concrete by adding water or any other material shall not be permitted.

The rate of delivery of concrete to the job shall be sufficient to allow uninterrupted placement of the concrete.

10-3.9 Forms. Concrete shall not be placed until all the forms and reinforcements have been inspected and approved by the Engineer. Forms shall be of suitable material and shall be of the type, size, shape, quality, and strength to build the structure as shown on the plans. The forms shall be true to line and grade and shall be mortar-tight and sufficiently rigid to prevent displacement and sagging between supports. The surfaces of forms shall be smooth and free from irregularities, dents, sags, and holes. The Contractor shall be responsible for their adequacy.

The internal form ties shall be arranged so no metal will show in the concrete surface or discolor the surface when exposed to weathering when the forms are removed. All forms shall be wetted with water or with a non-staining mineral oil, which shall be applied immediately before the concrete is placed. Forms shall be constructed so they can be removed without injuring the concrete or concrete surface. The forms shall not be removed until at least 30 hours after concrete placement for vertical faces, walls, slender columns, and similar structures. Forms supported by falsework under slabs, beams, girders, arches, and similar construction shall not be removed until tests indicate the concrete has developed at least 60% of the design strength.

10-3.10 Placing reinforcement. All reinforcement shall be accurately placed, as shown on the plans, and shall be firmly held in position during concrete placement. Bars shall be fastened together at intersections. The reinforcement shall be supported by approved metal chairs. Shop drawings, lists, and bending details shall be supplied by the Contractor when required.

10-3.11 Embedded items. Before placing concrete, all embedded items shall be firmly and securely fastened in place as indicated. All embedded items shall be clean and free from coating, rust, scale, oil, or any foreign matter. The concrete shall be spaded and consolidated around and against embedded items. The embedding of wood shall not be allowed.

10-3.12 Placing concrete. All concrete shall be placed during daylight hours, unless otherwise approved. The concrete shall not be placed until the depth and condition of foundations, the adequacy of forms and falsework, and the placing of the steel reinforcing have been approved by the Engineer. Concrete shall be placed as soon as practical after mixing, but in no case later than one (1) hour after water has been added to the mix. The method and manner of placing shall avoid segregation and displacement of the reinforcement. Troughs, pipes, and chutes shall be used as an aid in placing concrete when necessary. The concrete shall not be dropped from a height of more than 5 feet (1.5 m). Concrete shall be deposited as nearly as practical in its final position to avoid segregation due to rehandling or flowing. Do not subject concrete to procedures which

cause segregation. Concrete shall be placed on clean, damp surfaces, free from running water, or on a properly consolidated soil foundation.

10-3.13 Vibration. Vibration shall follow the guidelines in American Concrete Institute (ACI) Committee 309, Guide for Consolidation of Concrete. Where bars meeting ASTM A775 or A934 are used, the vibrators shall be equipped with rubber or non-metallic vibrator heads. Furnish a spare, working, vibrator on the job site whenever concrete is placed. Consolidate concrete slabs greater than 4 inches (100 mm) in depth with high frequency mechanical vibrating equipment supplemented by hand spading and tamping. Consolidate concrete slabs 4 inches (100 mm) or less in depth by wood tampers, spading, and settling with a heavy leveling straightedge. Operate internal vibrators with vibratory element submerged in the concrete, with a minimum frequency of not less than 6000 cycles per minute when submerged. Do not use vibrators to transport the concrete in the forms. Penetrate the previously placed lift with the vibrator when more than one lift is required. Use external vibrators on the exterior surface of the forms when internal vibrators do not provide adequate consolidation of the concrete. Vibrators shall be manipulated to work the concrete thoroughly around the reinforcement and embedded fixtures and into corners and angles of the forms. The vibration at any point shall be of sufficient duration to accomplish compaction but shall not be prolonged to where segregation occurs. Concrete deposited under water shall be carefully placed in a compact mass in its final position by means of a tremie or other approved method and shall not be disturbed after placement.

10-3.14 Construction joints. If the placement of concrete is suspended, necessary provisions shall be made for joining future work before the placed concrete takes its initial set. For the proper bonding of old and new concrete, provisions shall be made for grooves, steps, reinforcing bars or other devices as specified. The work shall be arranged so that a section begun on any day shall be finished during daylight of the same day. Before depositing new concrete on or against concrete that has hardened, the surface of the hardened concrete shall be cleaned by a heavy steel broom, roughened slightly, wetted, and covered with a neat coating of cement paste or grout.

10-3.15 Expansion joints. Expansion joints shall be constructed at such points and dimensions as indicated on the drawings. The premolded filler shall be cut to the same shape as the surfaces being joined. The filler shall be fixed firmly against the surface of the concrete already in place so that it will not be displaced when concrete is deposited against it.

10-3.16 Defective work. Any defective work discovered after the forms have been removed, which in the opinion of the Engineer cannot be repaired satisfactorily, shall be immediately removed and replaced at the expense of the Contractor. Defective work shall include deficient dimensions, or bulged, uneven, or honeycomb on the surface of the concrete.

10-3.17 Surface finish. All exposed concrete surfaces shall be true, smooth, and free from open or rough areas, depressions, or projections. All concrete horizontal plane surfaces shall be brought flush to the proper elevation with the finished top surface struck-off with a straightedge and floated. Mortar finishing shall not be permitted, nor shall dry cement or sand-cement mortar be spread over the concrete during the finishing of horizontal plane surfaces.

The surface finish of exposed concrete shall be a rubbed finish. If forms can be removed while the concrete is still green, the surface shall be wetted and then rubbed with a wooden float until all irregularities are removed. If the concrete has hardened before being rubbed, a carborundum stone shall be used to finish the surface. When approved, the finishing can be done with a finishing machine.

10-3.18 Curing and protection. All concrete shall be properly cured and protected by the Contractor. The concrete shall be protected from the weather, flowing water, and from defacement of any nature during the project. The concrete shall be cured by covering with an approved material as soon as it has sufficiently hardened. Water-absorptive coverings shall be thoroughly saturated when placed and kept saturated for at least three (3) days following concrete placement. All curing mats or blankets shall be sufficiently weighted or tied down to keep the concrete surface covered and to prevent the surface from being exposed to air currents. Wooden forms shall be kept wet at all times until removed to prevent opening of joints and drying out of the

concrete. Traffic shall not be allowed on concrete surfaces for seven (7) days after the concrete has been placed.

10-3.19 Drains or ducts. Drainage pipes, conduits, and ducts that are to be encased in concrete shall be installed by the Contractor before the concrete is placed. The pipe shall be held rigidly so that it will not be displaced or moved during the placing of the concrete.

10-3.20 Cold weather placing. When concrete is placed at temperatures below 40°F (4°C), the Contractor shall provide satisfactory methods and means to protect the mix from injury by freezing. The aggregates, or water, or both, shall be heated to place the concrete at temperatures between 50°F and 100°F (10°C and 38°C).

Calcium chloride may be incorporated in the mixing water when directed by the Engineer. Not more than pounds (908 grams) of Type 1 nor more than 1.6 pounds (726 grams) of Type 2 shall be added per bag of cement. After the concrete has been placed, the Contractor shall provide sufficient protection such as cover, canvas, framework, heating apparatus, etc., to enclose and protect the structure and maintain the temperature of the mix at not less than 50°F (10°C) until at least 60% of the designed strength has been attained.

10-3.21 Hot weather placing. Concrete shall be properly placed and finished with procedures previously submitted. The concrete-placing temperature shall not exceed 20°F when measured in accordance with ASTM C1064. Cooling of the mixing water and aggregates, or both, may be required to obtain an adequate placing temperature. A retarder meeting the requirements of paragraph 10-2.6 may be used to facilitate placing and finishing. Steel forms and reinforcement shall be cooled prior to concrete placement when steel temperatures are greater than 120°F (50°C). Conveying and placing equipment shall be cooled if necessary to maintain proper concrete-placing temperature. Submit the proposed materials and methods for review and approval by the Engineer, if concrete is to be placed under hot weather conditions.

10-3.22 Filling joints. All joints that require filling shall be thoroughly cleaned, and any excess mortar or concrete shall be cut out with proper tools. Joint filling shall not start until after final curing and shall be done only when the concrete is completely dry. The cleaning and filling shall be done with proper equipment to obtain a neat looking joint free from excess filler.

METHOD OF MEASUREMENT

10-4.1 No separate measurements or payment will be made for Portland cement concrete, the cost of which is considered incidental to other items of work.

BASIS OF PAYMENT

10-5.1 No separate measurements or payment will be made for Portland cement concrete, the cost of which is considered incidental to other items of work.

TESTING REQUIREMENTS

ASTM C31	Standard Practice for Making and Curing Concrete Test Specimens in the Field
ASTM C39	Standard Test Method for Compressive Strength of Cylindrical Concrete Specimens
ASTM C136	Standard Test Method for Sieve or Screen Analysis of Fine and Coarse Aggregates
ASTM C138	Standard Test Method for Density (Unit Weight), Yield, and Air Content (Gravimetric) of Concrete
ASTM C143	Standard Test Method for Slump of Hydraulic-Cement Concrete
ASTM C231	Standard Test Method for Air Content of Freshly Mixed Concrete by the Pressure Method
ASTM C666	Standard Test Method for Resistance of Concrete to Rapid Freezing and Thawing
ASTM C1017	Standard Specification for Chemical Admixtures for Use in Producing Flowing Concrete
ASTM C1064	Standard Test Method for Temperature of Freshly Mixed Hydraulic-Cement Concrete
ASTM C1077	Standard Practice for Agencies Testing Concrete and Concrete Aggregates for Use in Construction and Criteria for Testing Agency Evaluation
ASTM C1260	Standard Test Method for Potential Alkali Reactivity of Aggregates (Mortar-Bar Method)
ASTM C1567	Standard Test Method for Determining the Potential Alkali-Silica Reactivity of Combinations of Cementitious Materials and Aggregates (Accelerated Mortar-Bar Method)
ASTM E329	Standard Specification for Agencies Engaged in Construction Inspection, Testing, or Special Inspection
U.S. Army Corps of Engineers (USACE) Concrete Research Division (CRD) C662	Determining the Potential Alkali-Silica Reactivity of Combinations of Cementitious Materials, Lithium Nitrate Admixture and Aggregate (Accelerated Mortar-Bar Method)

MATERIAL REQUIREMENTS

ASTM A184	Standard Specification for Welded Deformed Steel Bar Mats for Concrete Reinforcement
ASTM A185	Standard Specification for Steel Welded Wire Reinforcement, Plain, for Concrete
ASTM A615	Standard Specification for Deformed and Plain Carbon-Steel Bars for Concrete Reinforcement
ASTM A704	Standard Specification for Welded Steel Plain Bar or Rod Mats for Concrete Reinforcement
ASTM A706	Standard Specification for Low-Alloy Steel Deformed and Plain Bars for Concrete Reinforcement
ASTM A775	Standard Specification for Epoxy-Coated Steel Reinforcing Bars

ASTM A934	Standard Specification for Epoxy-Coated Prefabricated Steel Reinforcing Bars
ASTM A1064	Standard Specification for Carbon-Steel Wire and Welded Wire Reinforcement, Plain and Deformed, for Concrete
ASTM C33	Standard Specification for Concrete Aggregates
ASTM C94	Standard Specification for Ready-Mixed Concrete
ASTM C150	Standard Specification for Portland Cement
ASTM C171	Standard Specification for Sheet Materials for Curing Concrete
ASTM C172	Standard Practice for Sampling Freshly Mixed Concrete
ASTM C260	Standard Specification for Air-Entraining Admixtures for Concrete
ASTM C309	Standard Specification for Liquid Membrane-Forming Compounds for Curing Concrete
ASTM C494	Standard Specification for Chemical Admixtures for Concrete
ASTM C595	Standard Specification for Blended Hydraulic Cements
ASTM C618	Standard Specification for Coal Fly Ash and Raw or Calcined Natural Pozzolan for Use in Concrete
ASTM D1751	Standard Specification for Preformed Expansion Joint Filler for Concrete Paving and Structural Construction (Nonextruding and Resilient Asphalt Types)
ASTM D1752	Standard Specification for Preformed Sponge Rubber Cork and Recycled PVC Expansion Joint Fillers for Concrete Paving and Structural Construction
ACI 305R	Hot Weather Concreting
ACI 306R	Cold Weather Concreting
ACI 309R	Guide for Consolidation of Concrete

END OF ITEM 10

20-Striping

DESCRIPTION

20-1.1 This item shall consist of A transverse marking such as (1) a limit line, (2) a stop line, or (3) a word, symbol, shoulder, parking stall, or railroad-grade-crossing marking, prepared and constructed in accordance with these specifications, at the locations and of the form and dimensions shown on the plans.

MATERIALS

20-2.1 General. A completed traffic stripe must:

1. Have clean, well-defined edges without running or deformation
2. Be uniform
3. Be straight on a tangent alignment and on a true arc on a curved alignment

The width of a completed traffic stripe must not deviate from the width shown by more than 1/4 inch on a tangent alignment and 1/2 inch on a curved alignment.

The length of the gaps and individual stripes that form a broken traffic stripe must not deviate by more than 2 inches from the lengths shown. The gaps and stripes must be uniform throughout the entire length of each section of broken traffic stripe so that a normal striping machine can repeat the pattern and superimpose successive coats on the applied traffic stripe.

A completed pavement marking must have well-defined edges without running or deformation.

20-2.2 Paint

The paint for traffic stripes and pavement markings must comply with the specifications for the paint type and color shown in following table:

Paint Specifications

Paint type	Color	Specification
Waterborne traffic line	White, yellow, and black	State Specification PTWB-01R2
Acetone-based	White, yellow, and black	State Specification PT-150VOC(A)
Waterborne traffic line for the international symbol of accessibility and other curb markings	Blue, red, and green	Federal Specification TT-P-1952E

The color of painted traffic stripes and pavement markings must comply with ASTM D6628.

CONSTRUCTION METHODS

20-3.1 General. The Contractor shall furnish all labor, materials, and services necessary for, and incidental to, the completion of all work as shown on the drawings and specified here. All machinery and equipment used by the Contractor on the work, shall be of sufficient size to meet the requirements of the work. All work shall be subject to the inspection and approval of the Engineer.

Establish the alignment for traffic stripes and the layouts for pavement markings with a device or method that will not conflict with other traffic control devices.

Protect existing retroreflective pavement markers during work activities.

Remove existing pavement markers that are coated or damaged by work activities and replace each with an equivalent marker on the Authorized Material List for signing and delineation materials. Protect newly placed traffic stripes and pavement markings from traffic and other deleterious activities until the paint is thoroughly dry or the thermoplastic is hard enough to bear traffic.

20-3.2 Remove Traffic Stripes and Pavement Markings

Remove traffic stripes before making any change to the traffic pattern.

Remove traffic stripes and pavement markings, including paint in the gaps, by methods that do not materially damage the pavement. Remove a pavement marking such that the old message cannot be identified. If removing by grinding, make the grinding area rectangular. The minimum dimensions for the rectangular area are the height and width of the pavement marking.

Sweep up or vacuum any residue before it can (1) be blown by traffic or wind, (2) migrate across lanes or shoulders, or (3) enter a drainage facility.

20-3.3 Surface Preparation

Use mechanical wire brushing to remove dirt, contaminants, and loose material from the pavement surface that is to receive the traffic stripe or pavement marking.

Use abrasive blast cleaning to remove laitance and curing compound from the surface of new concrete pavement that is to receive the traffic stripe or pavement marking.

Where a new broken traffic stripe joins an existing broken traffic stripe, allow enough overlap distance between the new and existing striping patterns to ensure continuity at the beginning and end of the transition.

20-3.4 Application of Stripes and Markings

Apply paint for a pavement marking by hand with a stencil and spray equipment.

You may use permanent tape for a traffic stripe or a pavement marking instead of paint or thermoplastic. The permanent tape must be on the Authorized Material List for signing and delineation materials. Apply the tape under the manufacturer's instructions.

Immediately remove drips, overspray, improper markings, paint, and thermoplastic tracked by traffic with an authorized method.

Apply a traffic stripe or a pavement marking only to a dry surface during a period of favorable weather when the pavement surface is above 50 degrees F.

Verify the rate of application of the glass beads by stabbing the glass bead tank with a calibrated rod.

Do not thin paint for traffic stripes and pavement markings. Mix the paint by mechanical means until it is homogeneous. Thoroughly agitate the paint during its application.

Use mechanical means to paint traffic stripes and pavement markings and to apply glass beads for traffic stripes.

The striping machine must be capable of superimposing successive coats of paint on the 1st coat and on existing stripes at a speed of at least 5 mph.

The striping machine must:

1. Have rubber tires
2. Be maneuverable enough to produce straight lines and normal curves in true arcs
3. Be capable of applying traffic paint and glass beads at the specified rates

4. Be equipped with:
 - 4.1. Pointer or sighting device at least 5 feet long extending from the front of the machine
 - 4.2. Pointer or sighting device extending from the side of the machine to determine the distance from the centerline for painting shoulder stripes
 - 4.3. Positive acting cutoff device to prevent depositing paint in gaps of broken stripes
 - 4.4. Shields or an adjustable air curtain for line control
 - 4.5. Pressure regulators and gauges that are in full view of the operator for a pneumatically-operated machine
 - 4.6. Paint strainer in the paint supply line
 - 4.7. Paint storage tank with a mechanical agitator that operates continuously during painting activities
 - 4.8. Glass bead dispenser located behind the paint applicator nozzle that is controlled simultaneously with the paint applicator nozzle
 - 4.9. Calibrated rods for measuring the volumes of paint and glass beads in the paint and glass bead tanks

Air-atomized spray equipment must:

1. Be equipped with oil and water extractors and pressure regulators
2. Have adequate air volume and compressor recovery capacity
3. Have properly sized orifices and needle assemblies for the spray gun tip

Where the configuration or location of a traffic stripe is such that the use of a striping machine is not practicable, you may apply the traffic paint and glass beads by other methods and equipment if authorized. The Engineer determines if the striping machine is not practicable for a particular use.

For an existing surface, apply traffic stripes and pavement markings in 1 coat.

For a new surface, except for the black stripe between the 2 yellow stripes of a double traffic stripe, apply traffic stripes and pavement markings in 2 coats. The 1st coat of paint must be dry before applying the 2nd coat.

Paint a 1-coat, 3-inch-wide black stripe between the two 4-inch-wide yellow stripes of a double traffic stripe.

If the two 4-inch-wide yellow stripes are applied in 2 coats, apply the black stripe concurrently with the 2nd coat of the yellow stripes.

Apply each coat of paint for any traffic stripe in 1 pass of the striping machine, including the glass beads, regardless of the number, width, and pattern of the individual stripes. Do not paint traffic stripes and pavement markings if:

1. Freshly painted surfaces could become damaged by rain, fog, or condensation
2. Atmospheric temperature could drop below 40 degrees F for acetone-based paint and 50 degrees F for waterborne paint during the drying period

METHOD OF MEASUREMENT

20-4.1 The payment quantity for a pavement marking is per lump sum.

20-4.2 The payment quantity for a pavement removal is per lump sum.

MATERIAL REQUIREMENTS

ASTM D6628

Standard Specification for Color of Pavement Marking Materials

END OF ITEM 20

30-Mobilization

30-1 Description. This item shall consist of work and operations, but is not limited to, work and operations necessary for the movement of personnel, equipment, material and supplies to and from the project site for work on the project except as provided in the contract as separate pay items.

30-1.1 Posted notices. Prior to commencement of construction activities the Contractor must post the following documents in a prominent and accessible place where they may be easily viewed by all employees of the prime Contractor and by all employees of subcontractors engaged by the prime Contractor: Equal Employment Opportunity (EEO) Poster "Equal Employment Opportunity is the Law" in accordance with the Office of Federal Contract Compliance Programs Executive Order 11246, as amended; Davis Bacon Wage Poster (WH 1321) - DOL "Notice to All Employees" Poster; and Applicable Davis-Bacon Wage Rate Determination. These notices must remain posted until final acceptance of the work by the Owner.

30-2 Basis of measurement and payment. This item shall be paid for by lump sum for "Mobilization".

END OF ITEM 30

40-SIGNS

DESCRIPTION

40-1.1 This item shall consist of general specifications for fabricating and installing sign panels and markers and constructing roadside signs, prepared and constructed in accordance with these specifications, at the locations and of the form and dimensions shown on the plans.

Signs and markers must comply with the California MUTCD, California Sign Specifications, and the FHWA publication Standard Highway Signs and Markings. For the California Sign Specifications, go to the Department's Traffic Operations website.

MATERIALS

40-2.1 General. Sign panels must be produced at a fabrication plant.

The sign information must:

1. Be imprinted in 1/4-inch upper-case letters and numerals on the back, lower right of each sign panel such that it will not be blocked by a sign post or mounting frame
2. Be imprinted at the fabrication plant by die-stamping on aluminum panels or by an equivalent method for fiberglass-reinforced plastic signs, such as affixing a die-stamped aluminum tag
2. Not be painted, screened, inked, or engraved
3. Be imprinted such that it does not damage the face of the sign

For a sign composed of multiple panels, the legend must be placed across joints such that it does not affect the size, shape, spacing, and appearance of the legend on the assembled sign.

For a formed panel sign, the retroreflective sheeting for the background and legend must be wrapped around the interior vertical edges of each panel to prevent delamination.

A sign with a protective-overlay film must be marked at the fabrication plant with a 3/8-inch-diameter dot. The dot must be placed on the lower border of the sign before applying the protective-overlay film. The fabricator determines the application method and exact location of the dot except the dot must not be placed on the legend or near bolt holes. The dot must be black if placed on a white border and white if placed on a black border.

The exposed portion of the mounting hardware on the sign face, including rivets used to attach sheeting to framing members, must have a factory- or field-applied finish that closely matches the color of the background and legend of the sign face.

The face of fabricated signs must be uniform, flat, smooth, and free from defects, scratches, chips, wrinkles, gel, hard spots, streaks, extrusion marks, and air bubbles. The front, back, and edges of sign panels must not have bends, router chatter marks, burns, sharp edges, loose rivets, delaminated skins, excessive adhesive over-spray, or aluminum marks.

40-2.2A Aluminum Sheeting

Sign panels must be made of aluminum sheeting of an alloy and temper complying with ASTM B209.

The aluminum sheeting must be pretreated for corrosion resistance as specified in ASTM B449. The surface of the sheeting must be cleaned, deoxidized, and coated with a light, tightly-adherent chromate conversion coating free from powdery residue. The conversion coating must be Class 2 with a weight from 10 to 35 mg/sq ft and an average weight of 25 mg/sq ft. After the cleaning and coating process, the aluminum sheeting must be protected from exposure to grease, oils, dust, and contaminants. The aluminum sheeting must be free from buckles, warps, dents, cockles, burrs, and other defects resulting from fabrication.

The base plate for standard route markers must be die cut.

40-2.2B Retroreflective Sheeting

Retroreflective sheeting used for the background and legend must comply with ASTM D4956 and must be on the Authorized Material List for signing and delineation materials.

Type III, IV, VIII, IX, and XI retroreflective sheeting must have Class 1, 3, or 4 adhesive backing. Type II retroreflective sheeting may have Class 1, 2, 3, or 4 adhesive backing. The adhesive backing must be pressure sensitive and fungus resistant.

Retroreflective sheeting must be applied to sign panels at the fabrication plant under the retroreflective sheeting manufacturer's instructions without appreciable stretching, tearing, or other damage.

The orientation of the legend must comply with the retroreflective sheeting manufacturer's instructions.

The retroreflective sheeting on a sign panel with a minor dimension of 48 inches or less must be a single, contiguous sheet without splices except for the splices produced during the manufacture of the retroreflective sheeting. A sign panel with a minor dimension greater than 48 inches may have 1 horizontal splice in the retroreflective sheeting other than the splices produced during the manufacture of the retroreflective sheeting.

Unless the retroreflective sheeting manufacturer's instructions require a different method, splices in the retroreflective sheeting must overlap by at least 1 inch. The retroreflective sheeting on either side of a splice must not exhibit a color difference under incident and reflected light.

40-2.2C Process Colors and Film

The type of material used for (1) screened-process colors, (2) nonreflective, opaque, black film, and (3) protective-overlay film must be the type recommended by the retroreflective sheeting manufacturer.

The fabricator must perform all patterns, layouts, and set-ups necessary for the screening process.

The fabricated surface of the applied screened-process color must be flat and smooth.

Colored retroreflective sheeting must be used for the background except signs with green, red, blue, or brown backgrounds may use reverse-screened-process color on white retroreflective sheeting for the background color.

The coefficient of retroreflection for reverse screened-process colors used on white retroreflective sheeting must be not less than 70 percent of the coefficient of retroreflection specified in ASTM D4956 for the corresponding colored retroreflective sheeting.

The legend must be a black, screened-process color or nonreflective, opaque, black film.

Screened-process colors and nonreflective, opaque, black film must have outdoor weatherability characteristics equivalent to those specified for retroreflective sheeting in ASTM D4956.

Nonreflective, opaque, black film must be a vinyl or acrylic material.

Cured, screened-process colors must not peel off if transparent cellophane tape with a tensile breaking strength of at least 14 lb/in width measured under ASTM D3759/D3759M is applied over the color and removed in a single, quick motion at a 90 degree angle to the sign's face.

82-2.2D Single-Sheet Aluminum Panels

The aluminum sheeting for framed and unframed panels must be aluminum alloy 6061-T6 or 5052-H38.

A single-sheet aluminum panel must not have a vertical splice in the aluminum sheeting. A panel with a depth greater than 48 inches may have 1 horizontal splice in the sheeting.

For a framed panel, the framing members must be aluminum channel or rectangular aluminum tubing. The lengths of the framing members must be within $\pm 1/8$ inch of the lengths shown.

Aluminum channels or rectangular aluminum tubing must be welded together using the inert gas-shielded arc welding process and E4043 aluminum-electrode filler wires. The filler width must be equal to the wall thickness of the smallest welded channel or tubing.

The aluminum sheeting must be attached to the frame with 3/16-inch-diameter rivets. The rivets must be placed at least 1/2 inch from the web channel edges. The rivets must be made of aluminum alloy 5052 and be anodized or treated with a conversion coating to prevent corrosion.

Fabricated single-sheet, aluminum panels must be within $\pm 1/8$ inch of the dimensions shown. The panels must be flat to within $\pm 1/32$ in/ft of the panel dimensions as measured by a straightedge placed in any direction across the plane of the panel.

40-2.2E Laminated Panels

A laminated panel must have a honeycomb core and extruded aluminum frame laminated between 2 sheets of aluminum to produce a flat, rigid panel.

The face sheet must be a single contiguous sheet of 0.063-inch-thick aluminum sheeting, alloy 6061-T6 or 5052-H32. The back sheet must be a single, contiguous sheet of 0.040-inch-thick aluminum sheeting, alloy 3003-H14.

The core material must be 0.26 lb/sq ft phenolic-impregnated kraft paper with the following quality characteristics:

1. Impregnated 18-percent phenolic by weight
2. 1/2-inch honeycomb cell size
3. Fungus resistant under MIL-STD-401B

The adhesive used to laminate the face and back sheets to the honeycomb core and extruded aluminum frame must produce a bond that is strong, permanent, and resistant to oil and water. The Department will reject a laminated panel if a 0.010-inch-thick by 1/2-inch-wide feeler gauge can be inserted to a depth of more than 1/2 inch between the extruded aluminum frame and the aluminum sheeting.

The panels must withstand a wind load of 33 lb/sq ft with a bending safety factor of 1.25 when tested for the simple span lengths shown in the following table:

Panel type	Nominal panel thickness	Simple span length
A	1 inch	9'-0"
	1 inch	9'-0"
	2-1/2 inches	14'-6"
H	2-1/2 inches	14'-6"

The tensile strength of the panels must be at least 40 lb/sq in when tested under ASTM C297 and C481, Cycle B, after aging. Instead of spraying with hot water, the specimen must be totally immersed in water at 160 degree F.

An individual laminated panel must not exceed 24 feet in length and 5 feet in depth. Individual panels must be fabricated as single units without horizontal and vertical joints, splices, or seams.

Use 2 panels for signs exceeding 5 feet in depth. You may use 3 panels to avoid placing the legend over a horizontal joint if authorized.

Welds are not required on the side of the framing members where the face and back sheets will be placed.

After laminating, 3/16-inch-diameter rivets must be placed at each corner of the perimeter frame through the face and back sheets. The rivets must be made of aluminum alloy 5052 and be anodized or treated with a conversion coating to prevent corrosion.

Sealant must be placed at the corners of the perimeter frame to prevent water intrusion.

The face of a fabricated panel must be flat to within $\pm 3/32$ in/ft of the panel dimensions as measured by a straightedge placed in any direction across the plane of the panel. Wherever the panels adjoin, the gap between the adjoining edges must not deviate by more than 1/32 inch from a straightedge placed from corner to corner. Nonadjoining edges must not deviate by more than 1/8 inch from a straightedge placed from corner to corner. The face and back sheets must be flush with the perimeter frame. All panel edges must be smooth.

The panels must be from $-1/2$ to $+1/8$ inch of the dimensions shown. The difference in the length between adjoining panels of multiple-panel signs must not be greater than 1/2 inch.

40-2.3 Metal Posts

Mountings for roadside signs to be installed on barriers or railings must be fabricated from (1) welded or seamless steel pipe complying with ASTM A53/A53M, Grade B, and (2) structural steel complying with ASTM A36/A36M.

Bolted connections must comply with section 56-2.02D. Concrete anchorage devices must comply with section 75-3.

After fabrication, all metal parts for mounting roadside signs must be galvanized under section 75-1.02B.

CONSTRUCTION METHODS

40-3.1 General. Protect, transport, and store sign panels fabricated with screened-process colors under the retroreflective sheeting manufacturer's instructions.

Transport sign panels such that the faces of the panels are protected from damage and weather. Ship panels on pallets, in crates, or in tier racks. Ship panels vertically on edge, not stacked horizontally. Place padding and protective materials between the panels as necessary. Keep panels dry during transit.

Do not store sign panels directly on the ground. Keep sign panels dry at all times and store the panels:

1. In a dry environment
2. On edge vertically whether indoors or outdoors
2. In enclosed, climate-controlled trailers or containers in areas of high heat and humidity
3. Indoors whenever the panels will be stored more than 30 days

Deliver sign panels to the job site with the background and legend permanently affixed to the panels.

Do not chip or bend sign panels.

Immediately replace sign panels exhibiting damage or flaws, including a significant color difference between daytime and nighttime.

Obtain authorization before repairing sign panels at the job site.

Use the following hardware to mount the type of sign panel shown:

1. Lag screws, nuts, bolts, and washers for roadside signs
2. Braces and wood block spacers for roadside signs
3. Type A-1 and Type A-2 mounting hardware for overhead laminated-panel signs
4. Type A-3 mounting hardware for overhead formed-panel signs

40-3.2 Installation.

When sign posts are delivered to the job site, treated posts must comply with the specified grading requirements and have a moisture content of no more than 25 percent when tested under ASTM D4444 with an authorized moisture meter.

Apply PVC tape, polyethylene tape, or other authorized corrosion-resistant barrier to the areas on metal sign surfaces or hardware that will be in contact with treated wood. Before inserting bolts, fill the bolt holes with the hardware manufacturer's recommended corrosion-protection grease that will not melt or run at a temperature of 150 degrees F. The corrosion-resistant barrier and grease is not required if wood posts and blocks are treated with pentachlorophenol in hydrocarbon solvent.

Install lag screws by turning the lag screw into pilot holes using a wrench. Bore the pilot holes with a bit diameter equal to the root diameter of the lag screw thread.

METHOD OF MEASUREMENT

40-4.1 The payment quantity for a sign is measured per sign.

MATERIAL REQUIREMENTS

ASTM D6628 Standard Specification for Color of Pavement Marking Materials

END OF ITEM 40

50-Project Survey and Stakeout

DESCRIPTION

50-1.1 Project survey and stakeout shall be in accordance with this specification. The Contractor shall do all necessary surveying required to construct all elements of the Project. Project survey and stakeout shall be performed by competently qualified personnel acceptable to the Engineer. The survey and stakeout shall be progressed in advance of construction operations such that the layout does not impede the construction schedule. All survey work shall be provided under the direction of a Licensed Surveyor licensed in the State in which the project is located.

EQUIPMENT & MATERIALS

50-2.1 General. All instruments, equipment, stakes and any other material necessary to perform the work satisfactorily shall be provided by the Contractor. It shall be the Contractor's responsibility to maintain these stakes in their proper position and location at all times.

50-2.2 Equipment. Upon request, the Contractor shall make available to the Engineer, a rod, level, and tripod. The rod shall be 15 feet in length with hundredth of a foot graduation. The level shall be self-leveling and have documentation demonstrating it has been calibrated within twelve months of the project's commencement. All equipment provided shall be in good working order and maintained by the Contractor throughout the duration of the project.

If the Contractor is utilizing Total Station with GPS for the project layout, the Contractor shall make available to the Engineer, a GPS rover unit tied into the same survey control that the contractor is using. The survey control shall have precision that meets the requirements of the contract. The GPS rover unit shall contain the same files uploaded onto the contractor's unit which shall be at a minimum: survey control, alignments provided for the project, and existing and proposed 3-dimensional models. The GPS rover unit shall have documentation demonstrating it has been calibrated within twelve months of the project's commencement. All equipment provided shall be in good working order and maintained by the Contractor throughout the duration of the project.

50-2.3 Materials. Stakes used for construction layout shall be sound hardwood stakes having minimum dimensions of 1 inch by 1 inch by 4 feet in length.

CONSTRUCTION METHODS

50-3.1 General. Project survey and stakeout shall be in accordance with Section 50-06 "Construction Layout and Stakes" of the General Provisions and this specification.

Contractor's surveyor shall be onsite during installation of NAVAIDS to verify elevations, alignment and siting angles.

50-3.2 Layout and stakeout. The Contractor shall be responsible for trimming trees, brush and other objects from survey lines in advance of all survey work to permit accurate and unimpeded work by his survey crews.

The exact position of all work shall be established from control points, baseline points or other points of similar nature which are shown on the Contract Drawings. Any error, apparent discrepancy or absence in or of data shown or required for accurately accomplishing the stakeout survey shall be referred to the Engineer for interpretation or furnishing when such is observed or required. Stakes shall be clearly and legibly

marked based on computations and measurements made by the Contractor. Markings shall include centerline station, offset and cut or fill marks. If markings become faded or blurred, they shall be restored by the Contractor, if requested by the Engineer. Contractor shall locate and place all cut, fill, slope, fine grade or other stakes and points for the proper progress of the work. All control points shall be properly guarded and flagged for easy identification. Reference points, baselines, stakes and benchmarks for borrow pits shall be established by the Contractor. Permanent survey marker locations shall be established and referenced by the Contractor.

The Contractor shall be responsible for the accuracy of his work and shall maintain all reference points, stakes, etc., throughout the life of the Contract. Damaged or destroyed points, benchmarks or stakes, or any reference points made inaccessible by the progress of the construction, shall be replaced or transferred by the Contractor. Any of the above points which may be destroyed or damaged shall be transferred by the Contractor before they are damaged or destroyed. All control points shall be referenced by ties to acceptable objects and recorded. Any alterations or revisions in the ties shall be so noted and the information furnished to the Engineer immediately. All stakeout survey work shall be referenced to the centerlines shown on the Contract Drawings indicating station and offset. All computations necessary to establish the exact position of the work from control points shall be made by the Contractor. All computations, survey notes and other records necessary to accomplish the work shall be neatly made, and shall be made available to the Engineer upon request.

The Engineer may check all or any portion of the stakeout survey work or notes made by the Contractor. Any necessary correction to the work shall be made immediately by the Contractor. Such checking by the Engineer shall not relieve the Contractor of any responsibilities for the accuracy or completeness of his work.

Upon completion of all grading and paving work, the Contractor shall re-establish baseline points, control points, and centerline points at 100 foot stations. The baseline points, control points, and centerline points to be established shall be the same as those used to develop design quantities.

Prior to the final cross-section survey of any borrow pits by the Engineer, the Contractor shall re-establish baseline points and stationing, as well as any necessary benchmarks as required by the Engineer.

Existing property corners, markers, stakes, iron pins, and survey monuments defining property lines which have a high probability of being disturbed during construction shall be properly tied into fixed reference points before being disturbed and accurately reset in their proper position upon completion of the work.

50-3.3 Verification of existing grades. This project was developed using a three-dimensional (3D) computer aided drafting and design (CADD) program. The 3D CADD program created digital terrain model (DTM) files of the existing surfaces, finished surfaces and other various surfaces required to complete the design.

Some volumetric quantities were calculated by comparing DTM files of the applicable design surfaces and generating Triangle Volume Reports. Electronic copies of DTM files and a paper copy of the original topographic map will be issued to the successful bidder. Some volumetric quantities were calculated using design cross sections which were created for this project using the DTM files of the applicable design surfaces and generating End Area Volume Reports. Paper copies of design cross sections and a paper copy of the original topographic map will be issued to the successful bidder.

Existing grades on the design cross sections or DTM's, where they do not match the locations of actual spot elevations shown on the topographic map, were developed by computer interpolation from those spot elevations. Prior to disturbing original grade, Contractor shall verify the accuracy of the existing ground

surface by verifying spot elevations at the same locations where original field survey data was obtained as indicated on the topographic map. Contractor shall recognize that, due to the interpolation process, the actual ground surface at any particular location may differ somewhat from the interpolated surface shown on the design cross sections or obtained from the DTM's. Contractor's verification of original ground surface, however, shall be limited to verification of spot elevations as indicated herein, and no adjustments will be made to the original ground surface unless the Contractor demonstrates that spot elevations shown are incorrect. For this purpose, spot elevations which are within 0.1 foot of the stated elevations for ground surfaces, or within 0.02 foot for hard surfaces (pavements, buildings, foundations, structures, etc.) shall be considered "no change". Only deviations in excess of these will be considered for adjustment of the original ground surface. If Contractor's verification identifies discrepancies in the topographic map, Contractor shall notify Engineer in writing at least two weeks before disturbance of existing grade to allow sufficient time to verify the submitted information and make adjustments to the design cross sections or DTM's. Disturbance of existing grade in any area shall constitute acceptance by the Contractor of the accuracy of the original elevations shown on the topographic map for that area.

The Contractor's survey shall not exceed the following:

- Error of horizontal closure in feet shall not exceed 1 foot/5,000 feet
- Error of vertical closure in feet shall not exceed $(0.05 \text{ feet})/(\text{benchrun length in miles})^{1/2}$

A point data file of the Contractor's verification of original ground surface shall be provided in electronic format on CD-ROM along with a printed hard copy. The point data shall be supplied in one ASCII file containing point number, northing, easting, elevation and descriptor. The data shall be left justified columns separated by commas with decimal points, but no slashes, colons and/or other separators.

METHOD OF MEASUREMENT

50-4.1 No separate measurements or payment will be made for Surveying or Stakeout, the cost of which is considered incidental to other items of work.

BASIS OF PAYMENT

50-5.1 No separate measurements or payment will be made for Surveying or Stakeout, the cost of which is considered incidental to other items of work.

END OF ITEM 50

60-FENCING AND GATES

DESCRIPTION

60-1.1 This item shall consist of furnishing and erecting a security fence in accordance with these specifications, the details shown on the plans, 7' high Ameristar Brand Impasse II 3 Rail, Trident type fencing and Ameristar Brand gates, and in conformity with the lines and grades shown on the plans or established by the Engineer.

60-1.2 Emergency Vehicle Gate #1 (Cirby Way) Specifications

- Ameristar Impasse II double swing, manually operated, 3-rail gate, trident style to match fence
 - Opening 20'
 - Height 7'
- Gate hardware to accommodate (1) Knox & (1) owner's lock (both provided by owner)

60-1.2 Vehicle Gate #2 (Commerce Dr.) Specifications

- Ameristar Transport IS cantilever gate, automatically operated, trident style to match fence
- Gate operator
 - Door King 9150
 - Optional 1hp electric motor (P/N 9150-080)
 - Optional step down transformer & high voltage kit (P/N 2600-266)
 - UL 325 entrapment protection devices (Type B1 non-contact sensors)
 - Photo reflective ME-RG (P/N 8080-051)
 - Optional chain tray kit (P/N 2601-270)
 - Two (2) reverse loop detectors and one (1) automatic exit loop detector
 - Dual channel detector (P/N 9409-010)
 - Installed in a factory default, fail-safe manual release configuration
 - Operator to be pad mounted according to manufacturer's specifications
 - Approved Tomar strobe switch access system for Roseville Fire Dept.
- Pedestal and pad installed no closer than 6ft. from gate and accessible from vehicle window
- Install all warning signs supplied with gate

60-1.3 Pedestrian Gate (Commerce Dr.) Specifications

- Ameristar wrought iron single swing, manually operated gate
 - Opening 42in.
 - Height 7ft.
 - Closure transom
 - Header
 - Kick Plate
- Gate hardware mounting plates to accommodate door access hardware (provided by others)
 - Von Duprin 99NLRX 3ft. 26D Satin Chrome Night Latch Pull Style Handle and Keyway
 - Von Duprin 99 Series Free Egress Panic Bar with built in RTE sensor
 - Allegion 4041 Series Closer and Drop Plate
- 30in. security hood with 1½in. radiused corners centered above panic bar push rail

- 1/8in. x 3/4in. expanded metal security screen on gate, minimum of 2ft. above & 2ft. below panic bar (4ft. x 42in.) and 4ft. x 2ft. on fence to the left and 4ft. x 4ft. on fence around corner to the right of pull side
- Kick plate free of sharp or abrasive edges on push side to meet accessibility standard where gate is within 10" of finished sidewalk.

MATERIALS

60-2.1 General. The material will be in conformance with Ameristar factory materials for all security fencing and gates, as specified by the Ameristar: Impasse II for security fencing and pedestrian gate; Trident style double swing 3-rail and cantilever gate, as approved by Owner.

60-2.2 Miscellaneous fittings and hardware. Fittings and hardware shall be per Ameristar shop drawings and the approved job plans. Hardware shall be hot-dipped galvanized or stainless steel unless otherwise specified on the plans.

60-2.3 Epoxy. The epoxy for post installed anchors into existing concrete shall be Simpson SET-XP.

60-2.4 Concrete footings. Concrete shall be in accordance with Section 10 – Portland Cement Concrete.

CONSTRUCTION METHODS

60-3.1 Clearing fence line. NCPA will cut back any softscape that impedes installation, including brush and overhanging tree limbs. The contractor will be responsible for brushing away loose debris in order to mark posthole locations on a solid ground surface and insure the centerline is sufficiently clear to allow the fence palings or pickets to be properly mounted on the rails. The contractor will also be responsible for clearing the softscape and grading the swale for the cantilever vehicle gate #2. The cost of removing and disposing of the material shall not constitute a pay item and shall be considered incidental to fence construction.

60-3.2 Installing fence posts.

60-3.2.1 Installing posts into native soil or engineered fill. All posts installed in native soil or engineered fill shall be set in concrete at the required dimension and depth and at the spacing shown on the plans. The spacing between post holes shall be in accordance with the City of Roseville Tree ordinance, which requires fencing panels encroaching into the drip line of the protected oaks on the project shall be centered at each trees trunk.

The concrete shall be thoroughly compacted around the posts by tamping or vibration and have a smooth finish slightly higher than the ground and sloped to drain away from the posts. All posts shall be set plumb and to the required grade and alignment. No materials shall be installed on the posts, nor shall the posts be disturbed in any manner within forty-eight (48) hours after the individual post footing is completed.

Should rock be encountered at a depth less than the planned footing depth, a hole 2 inches (50 mm) larger than the greatest dimension of the posts shall be drilled to a depth of 12 inches (300 mm). After the posts are set, the remainder of the drilled hole shall be filled with grout, composed of one part Portland cement and two parts mortar sand. Any remaining space above the rock shall be filled with concrete in the manner described above

In lieu of drilling, the rock may be excavated to the required footing depth. No extra compensation shall be made for rock excavation.

60-3.2.2 Installing posts anchored to existing concrete barrier. For drill and bond dowel (chemical adhesive), the drilled hole diameter and depth must comply with the ICBO evaluation report for the size of dowel being installed unless otherwise shown on the plans.

Immediately after inserting the dowels into the chemical adhesive, support the dowels as necessary to prevent movement until the epoxy has cured the minimum time specified by the manufacturer.

Contractor to locate existing barrier reinforcement prior to drilling holes for post anchorage. Base plates may be slotted to accommodate alternate anchor placement as approved by the Engineer.

METHOD OF MEASUREMENT

60-4.1 Fence will be measured for payment by the linear foot. Measurement will be along the top of the fence from center to center of end posts, excluding the length occupied by gate openings.

60-4.2 Gates will be measured as complete units.

BASIS OF PAYMENT

60-5.1 Payment for security fence will be made at the contract unit price per linear foot.

60-5.2 Payment for vehicle or pedestrian gates will be made at the contract unit price for each gate.

END OF ITEM 60

70-ELECTRICAL

DESCRIPTION

70-1.1 This item shall consist of providing and installing the electrical components in accordance with the California Electrical Code (CEC), any additional code requirements of the City of Roseville, these specifications, the details shown on the plans, manufacturer's specifications/manual/etc.,(Door King, Tomar and others) and in conformity with the layout shown on the plans or established by the Engineer or Owner.

70-1.2 Vehicle Gate #2 & Pedestrian Gate High & Low Voltage Electrical Specifications

• HIGH VOLTAGE

- Power for gate operator shall originate in electrical panel 1EM in the electrical room
 - Breakers 12 & 14 to be moved to slots 28 & 30 to make room for new breaker
 - New 20 amp 3phase 480v breaker to be located in slots 10, 12, & 14
 - New breaker installation to be coordinated with Project Manager
 - Install (1) Bussmann 3phase, 277/480vac modular TVSS downstream of new breaker, on electrical room wall near 1EM panel
 - Bussmann model # BSPM3480WYGR
- Install approximately 150' flexible conduit or M/C cable above drop ceiling to the SW corner of the building and mount a junction box
- Penetrate outside building shell with 1in. metal conduit and follow existing 3/4in. to edge of foundation
- Run 1in. schedule 80 PVC approximately 50ft.in dirt following existing 3/4in. PVC to south side of gravel roadbed and install utility enclosure (Christy Box #1A)
 - Old Castle H-Series 1118-12
 - NOTE: There is a storm drain running parallel to the roadbed on the south side
- Trench approximately 150ft. x 18in. deep from Christy Box #1A and install 1in. schedule 80 PVC and Christy Box #2A
- Trench an additional approximately 150ft. and install 1in. schedule 80 PVC and Christy Box #3A near gate operator pad
- Trench and install 1in. schedule 80 PVC to service disconnect mounted on unistrut in gate operator pad
 - Unistrut - Hot Dip Galvanized series for outdoor use
- Pull 4ea. #12 THWN conductors from new circuit in EM1 panel for gate operator
 - Leave pull strings in all conduits
- Install all conduit for gate operator and pad per manufacturer's specifications
 - Install operator pad ground rod per manufacturer's specifications
- All electrical work to follow all national and local electrical codes

• LOW VOLTAGE

- Pull (1) home run DB CAT 6 cable from electrical room to Security NEMA junction box
 - Leave 15ft. coil in electrical room
 - Follow electrical conductor path above drop ceiling (no conduit required) to existing junction box SW corner of building
 - Cut and remove abandoned coaxial cable from existing 3/4in. conduit

- Intercept existing 3/4in. conduit on south side of gravel roadbed and run to Christy Box #1B
- Install 1in. schedule 80 PVC from Christy Box #1B to #2B and on to #3B in open trench
- From Christy Box #3B install all low voltage conduit runs per RFI's shop drawings
- Install Ameristar clips and plastic covers for conductors run along fence rail from Security NEMA junction box to pedestrian gate as needed
- Leave pull strings in all conduits

MATERIALS

70-2.1 General. The material will be in conformance with the California Electrical Code (CEC), any additional code requirements of the City of Roseville for above ground and underground applications as appropriate, all factory required electrical components and materials as specified by the manufacturer's specifications/manual/etc., (Door King, Tomar and others), as approved by Owner.

70-2.2 Miscellaneous components Fittings and hardware shall be in conformance with the California Electrical Code (CEC), any additional code requirements of the City of Roseville for above ground and underground applications as appropriate and the approved job plans. Hardware shall be hot-dipped galvanized or stainless steel unless otherwise specified on the plans.

CONSTRUCTION METHODS

70-3.1 Installing electrical equipment. All electrical components shall be installed in accordance with the California Electrical Code (CEC), any additional code requirements of the City of Roseville, manufacturer installation guidelines and as shown on the Plans, or as approved by Owner.

METHOD OF MEASUREMENT

70-4.1 Electrical components and materials will be measured for payment per each.

BASIS OF PAYMENT

70-5.1 Payment for electrical components and materials will be made at the contract unit price for each.

END OF ITEM 70



Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: NCPA Financial Advisory Services – Three year Multi-Task Consulting Services Agreement with PFM Financial Advisors LLC for Ongoing Financial Structure and Debt Management Tasks; and Three year Multi-Task Consulting Services Agreement with PFM Swap Advisors LLC for Swap Advisory Services

AGENDA CATEGORY: Consent

FROM:	Monty Hanks <i>MH</i> Assistant General Manager/CFO	METHOD OF SELECTION: <i>Competitive Pricing Process</i>
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>		

RECOMMENDATION:

Staff recommends that the NCPA Commission approve Resolution 17-82 authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with PFM Financial Advisors LLC (PFM) for financial advisory services including ongoing financial structure and debt management tasks for not to exceed \$500,000 over three years; and to enter into a separate Multi-Task Consulting Services Agreement with PFM Swap Advisors LLC for additional financial advisory services in connection with the issuance or proposed issuance of swaps or derivatives for not to exceed \$150,000 over three years; both agreements with any non-substantive changes recommended and approved by the NCPA General Counsel, and including the option of two, two-year renewals for a maximum term of seven years.

BACKGROUND:

Traditionally, NCPA has retained the services of a financial advisor on an on-going basis to assist staff, the Finance Committee and the Commission with the management of NCPA's debt portfolio (including the interest-rate swaps), communication with the investment community and rating agencies, and the evaluation and monitoring of market conditions to reduce the debt service costs of the projects. In addition, services are necessary in connection with specific transactions involving the issuance of debt for new projects or refund outstanding bonds for debt service savings. Since a portion of the services will include discussions and monitoring of the Agency's outstanding interest-rate swaps, a separate contractual arrangement is needed per regulatory requirements.

NCPA has worked with the PFM Group of companies for over 15 years. The current contract for financial advisory services with Public Financial Management, Inc. expired on September 1, 2017. PFM Financial Advisors LLC (PFM) and PFM Swap Advisors LLC have the experience and expertise to provide the financial advisory services required by the Agency.

Each of the proposed agreements are for a three-year term, with the possibility of two, two-year extensions, for a maximum period of seven years. The agreements are subject to termination with 10 days' notice by NCPA or 30 days' notice by the Consultant. Prior to the expiration of the three-year agreements, staff will request direction from the Finance Committee (and subsequent Commission approval) with regard to either renewing the contracts for additional term(s) or issuing a Request for Proposal. In addition, the scope of work of the agreements includes the ability for NCPA Members to utilize the vendors' services.

FISCAL IMPACT:

PFM agreed to maintain the existing annual cost at the 2006 pricing level of a not-to-exceed amount of \$55,000 for financial structure and debt management tasks. That annual cost is to be apportioned \$50,000 to PFM Financial Advisors LLC for the financial structure and debt management tasks and \$5,000 to PFM Swap Advisors LLC. In addition, unlimited use of the SwapViewer valuation tool software will be provided by PFM Swap Advisors LLC at an annual cost of \$7,500. Both agreements also include a not to exceed amount for annual travel expense costs.

The resulting cost for the agreement with PFM Financial Advisors LLC for the ongoing financial structure and specific debt management tasks is not to exceed \$168,000 for the initial three-year term. The first year services in the amount of not to exceed \$56,000 is included in the approved budget for fiscal year 2017-18. Should the Agency exercise the option to extend the agreement, both renewal periods would be at the same annual cost as the initial three year term. In addition, the agreement's not to exceed amount of \$500,000 allows for utilization of the vendor's services by NCPA Members as needed. This dollar amount is not a guarantee that Agency will pay that full amount to PFM, but is merely a limit of potential expenditures under the enabling agreement.

The resulting cost for the agreement with PFM Swap Advisors LLC for the continuing review of and recommendations concerning the Agency's overall financial structure as related to swaps and derivatives, as well as identifying areas which can be improved upon or enhanced and unlimited use of the Swap Viewer valuation tool software, is not to exceed \$37,500 for the initial three year term. The first year services in the amount of not to exceed \$12,500 is included in the approved budget for fiscal year 2017-18. Should the Agency exercise the option to extend the agreement, both renewal periods would be at the same annual cost as the initial three year term. Further, the agreement's not to exceed amount of \$150,000 also allows for utilization of the vendor's services by NCPA Members as needed. This dollar amount is not a guarantee that Agency will pay that full amount to PFM Swap Advisors, but is merely a limit of potential expenditures under the enabling agreement.

Transaction specific services including bond issuance transaction costs will be determined as such services are needed and are typically paid from bond proceeds.

SELECTION PROCESS:

On July 11, 2017, staff issued a formal Request for Proposal for financial advisory services and distributed it to seven firms. Three firms responded and all were interviewed by members of the Finance Committee and NCPA staff on August 3rd. After due consideration of each firm's qualifications, price quotes, and based on the written proposals and oral interviews, the selection committee recommended that PFM and PFM Swap Advisors be selected to provide the necessary financial advisory services to NCPA. PFM is recommended because it provides the best value and most responsive bid 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.

COMMITTEE REVIEW:

The Multi-Task Consulting Services Agreements with PFM Financial Advisors and PFM Swap Advisors were reviewed by the Finance Committee on September 18th and were recommended for Commission approval.

Respectfully submitted,

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

RANDY S. HOWARD
General Manager

Attachments: Resolution 17-82
Multi-Task Consulting Services Agreement with PFM Financial Advisors LLC
Multi-Task Consulting Services Agreement with PFM Swap Advisors LLC

RESOLUTION 17-82

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO ENTER INTO AGREEMENTS FOR FINANCIAL ADVISORY SERVICES WITH PFM FINANCIAL ADVISORS LLC AND PFM SWAP ADVISORS LLC

(reference Staff Report #206:17)

WHEREAS, the Northern California Power Agency retains the services of a financial advisor to provide assistance in the management of NCPA's debt portfolio;

WHEREAS, PFM Financial Advisors LLC (PFM) and PFM Swap Advisors LLC are a well-qualified financial advisory firms; and

WHEREAS, a formal Request for Proposal bidding process for financial advisory services was conducted in accordance with NCPA's procurement policies and procedures; and

WHEREAS, after due consideration of each firm's qualifications, price quotes, and based on the written proposals and oral interviews, the selection committee recommended that PFM Financial Advisors LLC and PFM Swap Advisors be selected to provide the necessary financial advisory services to NCPA; and

WHEREAS, PFM agreed to maintain the existing annual cost at the 2006 pricing level of a not-to-exceed amount of \$55,000 for financial structure and debt management tasks apportioned between the two firms, plus a not to exceed amount for annual travel expense costs, for the three-year term, and the two optional, two-year extensions, for a maximum period of seven years; and

WHEREAS, due to regulatory requirements with derivative related products, a separate contract pertaining to discussions and monitoring of the Agency's outstanding interest-rate swaps is required with PFM Swap Advisors LLC;

WHEREAS, the enabling agreements allow for utilization of the vendors' services by NCPA Members as needed; however the dollar amount is not a guarantee that Agency will pay that full amount to PFM Financial Advisors LLC or PFM SWAP Advisors LLC, but is merely a limit of potential expenditures under the enabling agreements; and

WHEREAS, the approval of the agreements 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:

1. Authorizes the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with PFM Financial Advisors LLC (PFM) allowing for utilization of the vendor's services by NCPA and NCPA Members as needed for financial advisory services including ongoing financial structure and debt management tasks for not to exceed \$500,000 over three years, including an option of two, two-year renewals for a maximum term of seven years, with any non-substantive changes recommended and approved by the NCPA General Counsel; and
2. Authorizes the General Manager or his designee to enter into a separate Multi-Task Consulting Services Agreement with PFM Swap Advisors LLC allowing for utilization of the vendor's services by NCPA and NCPA Members as needed for additional financial advisory services in connection with the issuance or proposed issuance of swaps or derivatives for not to exceed \$150,000 over

three years of which this total includes the agency's cost not to exceed \$37,500, including an option of two, two-year renewals for a maximum term of seven years, with any non-substantive changes recommended and approved by the NCPA General Counsel.

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

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

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK CONSULTING SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
PFM FINANCIAL ADVISORS LLC**

This Consulting Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and PFM FINANCIAL ADVISORS LLC, a limited liability company with its office located at 601 S. Figueroa Street, Suite 4500, Los Angeles, CA 90017 ("Consultant") (together sometimes referred to as the "Parties") as of _____, 20__ ("Effective Date") in Roseville, California.

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

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, or no later than three (3) years from the date this Agreement was signed by Agency, whichever is shorter. At the sole option of the Agency, it is subject to two renewals for a period of two (2) years each for a maximum of seven (7) years, as more particularly set forth in EXHIBIT A.
- 1.2 Standard of Performance.** Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein.
- 1.3 Assignment of Personnel.** Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Services Provided.** Services provided under this Agreement by Consultant may include Services directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Services.** At such time that Agency determines to use Consultant's Services under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific services to be performed ("Requested Services"), may include a not-to-exceed monetary cap on Requested Services and expenditures authorized by that Purchase Order, and a time by which the Requested Services shall be completed. Consultant shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Consultant chooses not to perform the Requested Services. If Consultant agrees to perform the Requested Services, begins to

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

Section 2. COMPENSATION. Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** five hundred thousand dollars (\$500,000) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

4.1 Workers' Compensation. If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly by Consultant with limits of not less than one million dollars (\$1,000,000.00) per accident. Consultant will not use independent contractors or subcontractors to provide the Services described in this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a minimum limit of \$1,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use by the Consultant of hired and non-owned autos (symbols 8 & 9 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. Consultant does not own automobiles. If and when Consultant acquires automobiles, Consultant cannot use those automobiles for the Services included in this Agreement without providing (symbol 1) liability insurance.

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

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

4.4 All Policies Requirements.

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

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

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

4.4.4 Additional Certificates and Endorsements. If Consultant provides services to Agency members, SCPPA, and/or SCPPA members pursuant to this Agreement, Agency shall have the right to require Consultant to provide certificates of insurance and/or policy endorsements, as

referenced in Section 4.4.1, naming the specific Agency member, SCPPA or SCPPA member.

- 4.5 Waiver of Subrogation.** Consultant agrees to waive subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Consultant, its employees, agents and subcontractors.
- 4.6 Consultant's Obligation.** Consultant shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Services are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Consultant shall also ensure that all workers involved in the provision of Services are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

- 5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.
- 5.2 Scope.** Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, 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 negligent or intentionally wrongful acts or omissions by Consultant, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** Consultant is an independent contractor and not an employee of Agency. Agency shall have the right to control Consultant only insofar as the results of Consultant's Services and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule,

regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

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

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

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

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

shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

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

Section 7. LEGAL AND REGULATORY REQUIREMENTS AND DISCLOSURES.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4** Consultant is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If Agency has designated Consultant as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption"), then services provided pursuant to such designation shall be the services described in Exhibit A hereto, subject to any limitations described thereon. Consultant shall not be responsible for, or have any liability in connection with, verifying that Consultant is independent from any other party seeking to rely on the IRMA exemption (as such independent status is required pursuant to the IRMA exemption, as interpreted from time to time by the SEC). Agency acknowledges and agrees that any reference to Consultant, its personnel and its role as IRMA, including in the written representation of Agency required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by Consultant. Agency further agrees not to represent that Consultant is Agency's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the scope of services without Consultant's prior written consent.

MSRB Rule G-42 requires that municipal advisors make written disclosures to their clients of all material conflicts of interest and certain legal or disciplinary

Events. Such disclosures are provided in Consultant's Disclosure Statement delivered to Agency together with this Agreement.

All information, data, reports, and records ("Data") in the possession of Agency or any third party necessary for carrying out any services to be performed under this Agreement shall be furnished to Consultant and Agency shall, and shall cause its agent(s) to, cooperate with Consultant in its conduct of reasonable due diligence in performing the services. To the extent Agency requests that Consultant provide advice with regard to any recommendation made by a third party, Agency will provide to Consultant written direction to do so as well as any Data it has received from such third party relating to its recommendation. Agency acknowledges and agrees that while Consultant is relying on the Data in connection with its provision of the services under this Agreement, Consultant makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Consultant. Consultant may cancel this Agreement at any time and without cause upon thirty (30) days prior written notice to Agency.

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

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

8.4.4 Charge Consultant the difference between the costs to complete the Services that is unfinished at the time of breach and the amount that Agency would have paid Consultant pursuant hereto if Consultant had completed the Services.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Consultant's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Consultant hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Consultant agree that, unless approved by Agency in writing, Consultant shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under the Agreement.
- 9.4 **Confidential Information and Disclosure.**
- 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.

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

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3; to the extent notice is practicable and not prohibited by law or judicial or regulatory process. 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, and provided that Receiving Party shall not be liable for disclosure in the absence of receipt of any such protective order. Neither party shall have any liability for such permitted disclosures:

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

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

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

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

Section 10. MISCELLANEOUS PROVISIONS.

10.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this

Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

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

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

- 10.7 Contract Administrator.** This Agreement shall be administered by Monty Hanks, Assistant General Manager or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

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

Mike Berwanger
Managing Director
601 S. Figueroa Street, Suite 4500
Los Angeles, CA 90017

Any written notice to Agency shall be sent to:

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

With a copy to:

General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

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

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

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

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

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

10.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsels prior to either Party initiating legal action.

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

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

NORTHERN CALIFORNIA POWER AGENCY

PFM FINANCIAL ADVISORS LLC

Date _____

Date _____

RANDY S. HOWARD, General Manager

MIKE BERWANGER, Managing Director

Attest:

 Assistant Secretary of the Commission

Approved as to Form:

 General Counsel

EXHIBIT A

SCOPE OF SERVICES

During the term of the services, the Financial Advisor, using its own staff and facilities, shall perform all services and duties specified herein or necessary to accomplish the objectives of this Agreement, including, without limiting the generality of the foregoing, all services and duties customarily and usually performed by Financial Advisors retained by comparable public power entities. The Financial Advisors shall provide the following services as requested by the Northern California Power Agency ("Agency") and its Members for a period of three (3) years. At the sole option of the Agency, it is subject to two renewals for a period of two (2) years each for a maximum of seven (7) years. Each renewal will be processed as an amendment and will require subsequent Commission action.

The specifically enumerated services and duties shall include services of an on-going nature in the management of NCPA's outstanding bonds, and, if issued, additional bonds, and in maintaining and improving NCPA's financial position as set forth in subsection "1.1" below and services and duties relating to the issuance of additional bonds as set forth in subsection "1.2" below. In performing its obligations hereunder, the Financial Advisor will: (i) consult with the NCPA Staff, its consulting engineers and legal counsel (collectively, the "Commission Advisors"), and other appropriate parties, including rating agencies, banks providing or which may provide credit enhancement for the bonds or additional bonds, all to the extent authorized by NCPA's General Manager or his designee (each an "NCPA Representative"); (ii) at the request of an NCPA Representative attend any meetings relating to the subject matter of services being provided pursuant to this Agreement; and (iii) perform all of its services and duties hereunder through such officers and employees as may be approved by NCPA and qualified in terms of education and experience to perform the services to be provided and sufficiently familiar with NCPA, its organization, members, contractual arrangements, the projects, the bonds and any additional bonds to perform such services. All services hereunder shall be provided by the Financial Advisor in a diligent and timely manner and shall be of a professional quality consistent with the Financial Advisor's firm-wide capabilities, experience and standing in the financial community.

1.1 Ongoing Services

NCPA's objective in retaining the Financial Advisor for ongoing services is to provide NCPA with a continuing review of, and recommendations concerning, its overall financial structure as well as identifying areas in NCPA's fiscal structure and resource base which can be improved upon or used to enhance the financial position of NCPA. The Financial Advisor will make recommendations as to policy decisions and provide NCPA with a source of advice with respect to specific items in implementing its overall financial strategy.

The services to be provided by the Financial Advisor hereunder on an ongoing basis shall include both: (i) services as to which the Financial Advisor shall take the initiative, such as review and recommendations on NCPA's financial structure, advice in identified transactions such as repricing and remarketing variable rate, put option bonds and additional bonds, or other debt related activities; and (ii) services as to which the Financial Advisor shall respond to specific requests by NCPA Representatives. However, it is understood and agreed by

the parties hereto that nothing herein, including any provision relating to the Financial Advisor's responding to requests of an NCPA Representative, shall be construed as limiting the Financial Advisor's duties to initiate recommendations as to any aspect of NCPA's financial structure or operations or to identify and develop opportunities to optimize the return on its resource base.

A. Financial Structure

The following services shall be provided by the Financial Advisor on its own initiative and the Financial Advisor shall provide the NCPA Finance Committee periodic written reports, not less frequently than once each Contract Year and as otherwise requested by the NCPA Finance Committee, containing its recommendations for action with respect to the following:

- Annual review of Debt and Interest Rate Management Policy and assistance with the implementation of the policy. Review of the swap information in the Debt and Interest Rate Management Policy will be conducted by PFM SWAP Advisors LLC.
- General rating agency liaison, including reviewing agency reports on NCPA's credit position and helping NCPA formulate responses.
- Assist and advise NCPA in negotiations with investors regarding fees, pricing of the bonds and final terms of any security offering, and make recommendations regarding a proposed offering to obtain the most favorable financial terms based on existing market conditions.
- Economic reporting.
- Advice on best terms for repricing and remarketing bonds and additional bonds, which are variable rate demand obligation bonds.
- Advice on opportunities to reduce the interest costs of, or otherwise manage to NCPA's benefit, its bonds and additional bonds and Projects, including prepayment of gas or renewable contracts.

The Agency Finance Committee meets on a quarterly basis at a minimum, and schedules special meetings on an as needed basis. The Financial Advisor is required to attend all meetings unless otherwise notified; physical attendance is required for regularly scheduled quarterly meetings, to the extent that NCPA has provided advance notification to the advisor.

B. Specific Debt Management Tasks

The Financial Advisor shall perform the following services, and any additional services related to debt management or the financial operations of NCPA requested by an NCPA Representative or the NCPA Finance Committee.

- Assist in responding to specific request for information or action from a rating agency, bank or other provider, or potential provider, of credit-enhancement, or an investor.
- Make recommendations with respect to proposed state or federal legislation.
- Review Trustee Agreements.
- Preparation of analyses on NCPA debt portfolio and that of its members

- Preparation of analyses on asset/liability balancing for NCPA and its members.

1.2 Transaction Specific Services

NCPA's objective in requesting the Financial Advisor to perform services hereunder during any Contract Year in connection with the issuance or proposed issuance of additional bonds is to assist NCPA in all aspects of a financial transaction by providing all of the services which Financial Advisors have traditionally provided issuers of debt of the nature of such additional bonds and any other services reasonably related to the issuance of such additional bonds as may be requested by an NCPA Representative.

1.3 Individual Member Services

Individual NCPA members may also need Financial Advisor services. This agreement provides a vehicle for such services to be provided.

Required Financial Services

1. Assist the Agency in updating and implementing strategies, plans and policies. This includes analyzing short-term, intermediate, long-term financing options, and ongoing surveys of the financial activities of public and private electric utilities.
2. Evaluating the Agency's outstanding indebtedness identifying and analyzing financing alternatives.
3. Developing a financing plan for the Agency's capital programs which takes into consideration the Agency's current indebtedness structure, the impact on the Agency's charges to member, the timing and cash flow requirements of capital projects, the Agency's operating revenues available for capital purposes, and conditions in the capital markets, among other things.
4. Advise the Agency on the timing, method, and structure of its security sales and provide, when requested, consultation in negotiating the components of the underwriters' spread and the pricing and other terms of the proceeds.
5. Assist the Agency in preparing and reviewing documents necessary for the sale of its securities.
6. Assisting with the selection of underwriters, credit providers, liquidity providers, bond insurers and other parties in connection with each financing.
7. Assist the Agency in preparing for meetings with rating agencies, investors and bond insurers

8. Assist the Agency in evaluating the performance of Syndicate members, distribution of indebtedness, settlement and post settlement analysis.
9. Assist the Agency in restructuring its debt, in the analysis and implementation of a variable rate indebtedness program, and its integration into the Agency's overall capital financing strategy.
10. Assist the Agency in the analysis and implementation of one or more commercial paper or other short-term borrowing programs, and their integration into the Agency's overall capital financing strategy.
11. Assisting the Agency in the development of financial policies regarding the Agency's credit ratings strategies, and the use of variable rate indebtedness.
12. Upon request, prepare special studies of a financial nature and review new financial products or techniques which may be proposed to the Agency from time to time.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed five hundred thousand dollars (\$500,000) for the initial three year term. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Compensation for ongoing tasks outlined in Exhibit A, Section 1.1, including expenses, shall be paid via an annual retainer of \$50,000, payable quarterly.

In addition, reimbursable expenses for travel shall be reimbursed, up to a maximum quarterly amount of \$1,500. Consultant shall be mindful that it is expending public monies. Consultant shall employ the most cost effective means of travel, and shall avoid "first class" air-fare, premium lodging, limousine service and expenses which exceed the per diem amount established by the Internal Revenue Service. As a public agency, NCPA shall not reimburse Consultant for costs in excess of those permitted by the Internal Revenue Service.

Hourly rates to be used for non-transaction projects or special projects not covered under the scope of services outlined in "Ongoing Services," such as the development of a specific financial model, are as follows:

PFM Hourly Rates	
Employee Title	Rate
Managing Director	\$ 375
Director	\$ 350
Senior Managing Consultant	\$ 325
Senior Analyst / Analyst	\$ 300

Transaction related fees outlined in Exhibit A, Section 1.2 will be negotiated at the time of each debt transaction, but shall not exceed the following:

Debt related to existing project debt or new money issuance for existing projects will be negotiated at the time of each transaction and will range from \$40,000 - \$75,000 per financing (as defined by a separate offering document) based on the complexity, risk and size of a financing as reflected below:

PFM Transaction Fees (Existing Projects)	
Par Amount	Fixed Fee
< \$25 million	\$40,000
\$25 million - \$50 million	\$60,000
> \$50 million	\$75,000

Credit Facility Replacement will be a \$25,000 fixed fee assuming a Request for Proposals process and documentation of a new credit agreement.

For complex transactions, such as new NCPA projects (like LEC), gas prepayments or energy prepayments with the use of tax credit structures, NCPA and PFM would negotiate

a mutually agreed upon fee, which may exceed the range listed below based on the amount and complexity of work involved.

The table below outlines a range of fees for potential complex transactions, not currently planned, that NCPA might undertake over the contract term. The wide range is reflective of a multitude of factors, the two main drivers being: 1) time spent on the transaction, which may range from 6 to 24 months; and 2) "first of their kind" nature of the transactions compared to the second or third iteration of a similar structure. Should a more complex transaction occur that would result in a work effort that greatly exceeds prices included in the range, NCPA and PFM would negotiate to arrive at fair and mutually agreeable terms in advance of performance of such work.

Sample Range for PFM Transaction Fees for Complex Transactions	
Transaction	Fee Range
New NCPA Projects	\$75,000 to \$125,000
Gas Prepayment	\$150,000 to \$400,000
Renewable Prepayment	\$150,000 to \$250,000

Structured Products - PFM Asset Management LLC or PFM Swap Advisors LLC professionals would oversee all elements of any derivative or investment related transaction (swap, escrow bid, defeasance, etc.), and NCPA would have a separate engagement for those services. Such fee arrangements would be negotiated with NCPA and be fully transparent to all parties. Fees are usually set as 2/3 of one basis point per annum times the notional amount or invested balance outstanding over time, plus \$10,000 per transaction.

Services provided to member agencies as outlined in Exhibit A, Section 1.3, shall be no higher than the hourly rates shown above times the expected hours of service, and shall be negotiated at the time of service request through not to exceed fee quotes which will be provided in writing to both NCPA and the member requesting the service.

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

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I, _____
(Name of person signing affidavit)(Title)

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

(Company name)

for contract work at:

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.



MULTI-TASK CONSULTING SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND PFM SWAP ADVISORS LLC

This Consulting Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and PFM SWAP ADVISORS LLC, a limited liability company, with its office located at 1735 Market Street, 43rd Floor Philadelphia, PA 19103 ("Consultant") (together sometimes referred to as the "Parties") as of _____, 20__ ("Effective Date") in Roseville, California.

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

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, or no later than three (3) years from the date this Agreement was signed by Agency, whichever is shorter. At the sole option of the Agency, it is subject to two renewals for a period of two (2) years each for a maximum of seven (7) years, as more particularly set forth in EXHIBIT A.
- 1.2 Standard of Performance.** Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein.
- 1.3 Assignment of Personnel.** Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Services Provided.** Services provided under this Agreement by Consultant may include Services directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Services.** At such time that Agency determines to use Consultant's Services under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific services to be performed ("Requested Services"), may include a not-to-exceed monetary cap on Requested Services and expenditures authorized by that Purchase Order, and a time by which the Requested Services shall be completed. Consultant shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Consultant chooses not to perform the Requested

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

Section 2. COMPENSATION. Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** one hundred fifty thousand dollars (\$150,000) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

4.1 Workers' Compensation. If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly by Consultant with limits of not less than one million dollars (\$1,000,000.00) per accident. Consultant will not use independent contractors or subcontractors to provide the Services described in this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a minimum limit of \$1,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use the Consultant of hired and non-owned vehicles (symbols 8 & 9), 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. Consultant does not own automobiles. If and when Consultant acquires automobiles, Consultant cannot use those automobiles for the Services included in this Agreement without providing (symbol 1) liability insurance.

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

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

4.4 All Policies Requirements.

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

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

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

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

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

4.6 Consultant's Obligation. Consultant shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Services are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Consultant shall also ensure that all workers involved in the provision of Services are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

5.1 Effect of Insurance. Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

5.2 Scope. Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, 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 negligent or intentionally wrongful acts or omissions by Consultant, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

Section 6. STATUS OF CONSULTANT.

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

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

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

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

- 6.2 Consultant Not Agent.** Except as Agency may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.

- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Consultant shall supervise all work subcontracted by Consultant in performing the services and shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Consultant shall, at the same time it executes this Agreement, execute Exhibit C.

Section 7. LEGAL AND REGULATORY REQUIREMENTS AND DISCLOSURES.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 Swap Advisor Requirements.** Consultant agrees that it will not deal with itself or with any other affiliated company or individual in making purchases or sales of the Swaps or any securities pursuant to this engagement, nor will we take a long or short position in securities subject to purchase or sale in connection with the Swaps. We confirm that we have no interest in the purchase or sale of the Swaps other than as described in this Agreement and except for any financial or investment advisory agreement between Agency and our affiliates, Public Financial Management, Inc., PFM Financial Advisors LLC, or PFM Asset Management LLC.

MSRB Rule G-42 requires that municipal advisors make written disclosures to its clients of all material conflicts of interest and certain legal or disciplinary events. Such disclosures are provided in Consultant's Disclosure Statement delivered to Agency together with this Agreement.

Consultant may rely upon the advice of counsel, who may be counsel to Agency, and upon information supplied by accountants, swap dealers, inter-dealer brokers and other persons believed by it in good faith to be experts in the matters upon which they are consulted including market information services which are used generally by market-makers for pricing instruments similar to the Transactions. Agency agrees that Consultant will be subject to no liability based on its performance under this Agreement except for Consultant's own negligence or misconduct.

Consultant is a registered municipal advisor with the SEC and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. As of the date of this Agreement, Agency has **not** designated Consultant as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption."). Agency agrees not to represent that Consultant is Agency's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, without Consultant's prior written consent.

All information, data, reports, and records ("Data") in the possession of Agency or any third party necessary for carrying out any services to be performed under this Agreement shall be furnished to Consultant and Agency shall, and shall cause its agent(s) to, cooperate with Consultant in its conduct of reasonable due diligence in performing the services. To the extent Agency requests that Consultant provide advice with regard to any recommendation made by a third party, Agency will provide to Consultant written direction to do so as well as any Data it has received from such third party relating to its recommendation. Agency acknowledges and agrees that while Consultant is relying on the Data in connection with its provision of the services under this Agreement, Consultant makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

You may terminate this agreement in the event of any material breach immediately upon written notice to Consultant.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Consultant. Consultant may cancel this Agreement at any time and without cause upon thirty (30) days prior written notice to Agency.

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

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.

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

9.4 Confidential Information and Disclosure.

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

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

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3; to the extent notice is practicable and not prohibited by law or judicial or regulatory process. 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, and provided that Receiving Party shall not be liable for disclosure in the absence of receipt

of any such protective order. Neither party shall have any liability for such permitted disclosures:

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

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

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

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

Section 10. MISCELLANEOUS PROVISIONS.

- 10.1** **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2** **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 10.3** **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 10.6 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Consultant in a “conflict of interest,” as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

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

- 10.7 Contract Administrator.** This Agreement shall be administered by Monty Hanks, Assistant General Manager or his/her designee, who shall act as the Agency’s representative. All correspondence shall be directed to or through the representative.
- 10.8 Notices.** Any written notice to Consultant shall be sent to:

Jeffrey M. Pearsall
Managing Director
PFM Swap Advisors LLC
1735 Market Street, 43rd Floor
Philadelphia, PA 19103

Any written notice to Agency shall be sent to:

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

With a copy to:

General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 10.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 10.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 10.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:
- 10.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute.
- 10.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
- 10.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsels prior to initiating legal action.
- 10.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Consultant's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Consultant's Proposal, the Purchase Order shall control.
- 10.13 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 10.14 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 10.15 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signatory third parties. However, should Consultant provide Services to an Agency member, SCCPA and/or a SCPPA member (collectively for the purposes of this section only "Member") pursuant to section 1.4, the parties recognize that such Member may

be a third party beneficiary solely as to the Purchase Order and Requested Services relating to such Member.

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

NORTHERN CALIFORNIA POWER AGENCY

PFM SWAP ADVISORS LLC

Date _____

Date _____

RANDY S. HOWARD, General Manager

JEFFREY PEARSALL, Managing Director

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

EXHIBIT A

SCOPE OF SERVICES

During the term of the services, the Swap Advisor, using its own staff and facilities, shall perform all services and duties specified herein or necessary to accomplish the objectives of this Agreement, including, without limiting the generality of the foregoing, all services and duties customarily and usually performed by Swap Advisors retained by comparable public power entities. The Swap Advisors shall provide the following services as requested by the Northern California Power Agency ("Agency") and its Members for a period of three (3) years. At the sole option of the Agency, it is subject to two renewals for a period of two (2) years each for a maximum of seven (7) years. Each renewal will be processed as an amendment and will require subsequent Commission action.

PFM Swap Advisors LLC ("Consultant") will serve North California Power Agency ("Agency") as Municipal Advisor and designated Qualified Independent Representative ("QIR") in the provision of general swap advisory services related to any swap-related communication, interaction or other discussion ("Swap Communication") between Agency and Swap Dealers (as such term is defined by the Securities and Exchange Commission ("SEC") and the Commodity Futures Trading Commission ("CFTC")). This Agreement obligates Consultant to comply with the applicable requirements of CFTC Regulation 17 CFR 23.450(b)(1) in providing QIR services to Agency.

1.1 Ongoing Services: QIR and Valuations

As QIR to Agency, Consultant will make available qualified professionals to participate in discussions and other interactions with Swap Dealers as Agency finds necessary or desirable. Additionally, Consultant will assist Agency with analysis of any proposals from Swap Dealers. Consultant may assist Agency with other swap related tasks such as helping write a swap policy or other related analysis upon Agency's request. Consultant will also assist Agency, as needed, in completing the ISDA Dodd-Frank Protocols and other matters to comply with the regulatory requirements imposed under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The ongoing services include annual unlimited use of the PFM Swap Advisors LLC SwapViewer valuation tool software. Consultant will perform calculations relating to the valuation of certain interest rate exchange agreements, which may include swaps, swaptions, caps, floors, or other similar contracts. The calculations are to be performed with respect to all swap transactions in which Agency is a party (each, a "Transaction").

Whereas each such month-end being a "Calculation Date", Consultant will calculate on a monthly basis the mark-to-market value of certain Transactions as of the close of business of each month (each calculation, a "Monthly Calculation"), based on market levels at such time as obtained from generally recognized pricing sources and Consultant's valuation models. The results shall be made available for viewing by Agency through Consultant's online service known as SwapViewer®. The results will also contain the publicly available credit ratings of the Transaction counterparties as of the Calculation Date. In addition, Consultant will make available online, selected Transaction documents to Agency.

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To facilitate the preparation of the calculations and documents, Agency will provide or cause to be provided to Consultant all relevant data requested by Consultant from time to time, with respect to each Transaction and Calculation Date, and Agency agrees to cooperate with all reasonable requests in connection herewith. Consultant will rely on this information in preparing the calculations of the mark-to-market value for each Transaction. Consultant may rely on market information services which are used generally by market-makers for pricing instruments similar to the Transactions, including information furnished by one or more brokers who engage in such transactions. The calculated mark-to-market values will be based upon available mid-market levels. The mark-to-market values are not an indication of a level where Agency could enter into an actual Transaction, nor is it indicative of the level where Agency could liquidate a Transaction. Consultant shall not have any obligation to update any valuation calculated hereunder because of events occurring or data or information received subsequent to the Calculation Date.

Annual review of the swap information in the Debt and Interest Rate Management Policy will be conducted by PFM SWAP Advisors LLC.

1.2 Transaction Specific Services

Consultant will serve as Municipal Advisor and QIR in conjunction with any potential novation or termination of an existing interest rate swap and/or in conjunction with any potential procurement of a new interest rate swap.

As Municipal Advisor and QIR with respect to the potential novation or termination of the Existing Swap, Consultant will review and comment on any documentation associated with the Existing Swap, provide indicative termination values, and negotiate the pricing of the Existing Swap with the Current Counterparty. Additionally, Consultant will provide Agency with a memorandum that summarizes the results of our engagement and which includes our opinion whether the pricing of the Existing Swap as agreed to represents fair value.

As Municipal Advisor and QIR with respect to the potential procurement of the New Swap, Consultant will analyze and model alternative hedge structures and provide price indications; review and comment on all hedge documentation and business terms; negotiate the pricing of the New Swap with the new counterparty and coordinate the closing of the transaction. Additionally, Consultant will provide Agency with a memorandum that summarizes the results of our engagement and which includes our opinion whether the pricing of the New Swap as agreed to represents fair value (in the event that we are unable to certify that the pricing of the Swap represents fair value, we will provide Agency with verification of the Consultant-observed mid-market value for the Swap at the time of trade execution).

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks outlined Exhibit A, Section 1.1, including hourly fees and expenses, shall not exceed one hundred fifty thousand dollars (\$150,000) for the initial three year term. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Compensation for oversight and advisory services for derivative related transactions shall be paid via an annual retainer of \$5,000, payable quarterly.

Annual unlimited use of the SwapViewer valuation tool software shall be provided for a \$7,500 annual fee to be paid quarterly to PFM Swap Advisors LLC.

Hourly rates to be used for non-transaction projects or special projects not covered under the scope of services outlined in "Ongoing Services," are as follows:

PFM Hourly Rates	
Employee Title	Rate
Managing Director	\$ 375
Director	\$ 350
Senior Managing Consultant	\$ 325
Senior Analyst / Analyst	\$ 300

Transaction related fees outlined in Exhibit A, Section 1.2 will be negotiated at the time of each debt transaction, but shall not exceed the following:

NCPA and PFM will negotiate terms for pricing of elements of any derivative related transaction, and such fee arrangements will be presented to the Commission for approval. Fees for such services are generally set as 2/3 of one basis point per annum times the notional amount or invested balance outstanding over time, plus \$10,000 per transaction.

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

EXHIBIT C
CERTIFICATION

Affidavit of Compliance for Contractors

I, _____
(Name of person signing affidavit)(Title)

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

(Company name)

for contract work at:

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.



Commission Staff Report

DATE: September 19, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Approve Appointment of Retired Annuitant to Serve In a Limited Duration Assignment as Field Office Administrator at the Geothermal Facility

AGENDA CATEGORY: Consent

FROM:	Vicki L. Cichocki <i>VC</i>	METHOD OF SELECTION:
	HR Manager	N/A
Division:	Administrative Services	
Department:	Human Resources	

IMPACTED MEMBERS:

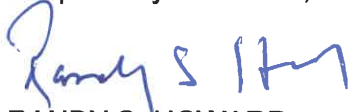
All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Shasta Lake	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	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

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 blue ink, appearing to read "Randy S. Howard".

RANDY S. HOWARD
General Manager

Attachment: (1)

- Resolution 17-83

RESOLUTION 17-83

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPOINTING RETIRED ANNUITANT TO SERVE IN A LIMITED DURATION ASSIGNMENT AS FIELD OFFICE ADMINISTRATOR AT THE GEOTHERMAL FACILITY

(reference Staff Report #207:17)

WHEREAS, the Geothermal Facility Office Administrator (FOA) position became vacant unexpectedly. Retired annuitant, Pamela Bordi, who retired from this same position in May 2016, was identified as a logical choice to fill the position on an interim and limited duration basis because she possesses critical skills and knowledge; and

WHEREAS, under PERL retired annuitants may serve without reinstatement from retirement or loss or interruption of CalPERS benefits provided the appointment is limited to: no more than 960 hours per fiscal year; that the wage paid is compatible with pay for the job classification (an Administrative Assistant/Office Administrator III) as listed on the Agency’s publicly available pay schedule; that the annuitant is ineligible for any benefit, incentive compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate; and that the retired annuitant did not receive unemployment insurance benefits within 12 months of the appointment; and

WHEREAS, the Agency is actively recruiting for the vacant position and expects that the position will be filled no later than December 15, 2017; and

WHEREAS, to ensure there is no risk of loss or interruption to Ms. Bordi’s retirement benefits, the Agency will end Ms. Bordi’s appointment under Government Code Section 21224 and will reappoint her under Government Code Section 21221(h).

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

WHEREAS, there is no fiscal impact for the appointment of retired annuitant, Pamela Bordi, to serve as the Field Office Administrator at the Geothermal Facility, because the costs are included in the approved budget for FY 2017-18; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency approves the interim and limited term appointment of retired annuitant, Pamela Bordi, to serve as the Field Office Administrator at the Geothermal Facility, without reinstatement from retirement or loss or interruption of benefits provided by the Public Employees’ Retirement System under Government Code Section 21221(h).

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

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

RECOMMENDATION:

Approve the interim and limited term appointment of retired annuitant, Pamela Bordi, to serve as the Field Office Administrator at the Geothermal Facility, without reinstatement from retirement or loss or interruption of benefits provided by the Public Employees' Retirement System under Government Code Section 21221(h).

BACKGROUND:

The Geothermal Facility Office Administrator (FOA) position became vacant unexpectedly. Retired annuitant, Pamela Bordi, who retired from this same position in May 2016, was identified as a logical choice to fill the position on an interim and limited duration basis. Ms. Bordi possesses critical skills and knowledge, especially in the areas of union payroll processing, timekeeping and MOU knowledge. Ms. Bordi's return to temporarily fill the vacancy will allow a relatively seamless transition and prevent disruption to Geothermal plant operations while the recruitment process takes place.

In accordance with Government Code Section 21224, the HR Manager is authorized to make critical skill appointments on behalf of the Agency. On August 11, 2017 the Agency's Human Resources Manager extended an Offer of Employment to Ms. Bordi for a temporary appointment consistent with Public Employees' Retirement Law (PERL) requirements. Under PERL retired annuitants may serve without reinstatement from retirement or loss or interruption of CalPERS benefits provided the appointment is limited to: no more than 960 hours per fiscal year; that the wage paid is compatible with pay for the job classification (an Administrative Assistant/Office Administrator III) as listed on the Agency's publicly available pay schedule; that the annuitant is ineligible for any benefit, incentive compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate; and that the retired annuitant did not receive unemployment insurance benefits within 12 months of the appointment. The Agency is actively recruiting for the vacant position and expects that the position will be filled no later than December 15, 2017, as set forth in the offer letter.

Retired annuitant appointments may be made under Government Code Sections 21224 or 21221. Government Code Section 21221 specifically references appointment by a governing body of a contracting agency to a vacant position during the recruitment for a permanent appointment. Legal counsel has advised the regulations do not provide clarity as to which code section should apply to the Agency's situation which requires both critical skills and is an interim appointment while recruitment for a permanent appointment is underway. As such, to ensure there is no risk of loss or interruption to Ms. Bordi's retirement benefits, the Agency is requesting Commission Approval for an appointment under Government Code Section 21221(h). Upon approval, the Agency will end Ms. Bordi's appointment under Government Code Section 21224 and will reappoint her under Government Code Section 21221(h).

FISCAL IMPACT:

There is no fiscal impact for the appointment of retired annuitant, Pamela Bordi, to serve as the Field Office Administrator at the Geothermal Facility, because the costs are included in the approved budget for FY 2017-18.



Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Approval of Extension of Natural Gas Pipeline Transportation Contracts for the NGTL and Foothills BC Pipeline Transportation Systems

AGENDA CATEGORY: Consent

FROM:	David Dockham <i>DD</i>	METHOD OF SELECTION:
	AGM, Power Management	N/A
Division:	Power Management	<i>If other, please describe:</i>
Department:	Industry Restructuring	

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 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 checked="" 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:

NCPA staff recommends that the Commission authorize the General Manager, on behalf of NCPA, to extend the natural gas pipeline transportation contracts to maintain NCPA's natural gas pipeline transport volume rights on the NOVA and Foothills transportation systems for five (5) years through October 31, 2023.

BACKGROUND:

In 1991, Northern California Power Agency ("NCPA") entered into natural gas pipeline transportation contracts to acquire firm natural gas pipeline transport from Alberta, Canada (AECO) to the Pacific Gas and Electric Company natural gas transportation pipeline system ("PG&E Citygate") on behalf of the Combustion Turbine No. 2 ("STIG") project participants. The amount of natural gas pipeline transport capacity acquired is sufficient to supply approximately twenty five percent (25%) of the annual capacity factor of the STIG project.

The contiguous transport path includes the following four (4) separate sections of pipeline:

- TransCanada NGTL Transportation System ("NOVA") – natural gas pipeline from Alberta to BC Border
- TransCanada Foothills BC Transportation System ("Foothills") – natural gas pipeline from BC Border to Kingsgate, Canada/US border
- TransCanada GTN Transportation System ("GTN") – natural gas pipeline from Kingsgate to Malin, OR/CA border
- PG&E California Gas Transmission ("CGT") – natural gas pipeline from Malin to PG&E Citygate

The contract commitments made for the two (2) United States segments of the pipeline (GTN and CGT) have a term of thirty (30) years and remain in effect through October 31, 2023. The contract commitments made for the two (2) Canadian segments of the pipeline (NOVA and Foothills) were made with an initial term of fifteen (15) years and were in effect through October 31, 2008. Since October 31, 2008, NCPA has renewed the contract commitments for the two (2) Canadian segments of the pipeline on a year-by-year basis, and the current contract commitments for the two (2) Canadian segments of the pipeline are effective through October 31, 2018.

DISCUSSION:

Pursuant to the respective tariffs, the NOVA and Foothills natural gas pipeline contracts may be extended per a request submitted one (1) year in advance of the effective expiration date of the contract. The current NOVA and Foothills contracts are set to expire on October 31, 2018; therefore, in order for NCPA to maintain its contiguous natural gas pipeline capacity from AECO to PG&E Citygate, NCPA will need to submit its request to extend the NOVA and Foothills transportation contracts for an additional year by October 31, 2017.

Failure to renew the NOVA and Foothill segments of the pipeline will:

- Result in a mismatch of pipeline transportation capacity from AECO to PG&E Citygate;
- Forfeit NCPA's first right to firm transportation capacity on the NOVA and Foothills transportation systems; and
- Negatively impact the value of the pipeline capacity release payments made to NCPA under the Asset Management Agreement between NCPA and Noble Americas. These

payments are based on the price differences between the AECO and PG&E Citygate pricing hubs (the Kingsgate gas hub is thinly traded and does not provide a material price spread relative to the PG&E Citygate gas hub).

NCPA staff recommends that the Commission authorize the General Manager of NCPA to extend the NOVA and Foothills natural gas pipeline transport contract commitments, on behalf of NCPA, for five (5) additional years. In past years, NCPA staff had recommended an extension of the agreements for only a single year period. During the past two years, the pipeline capacity held by NCPA has consistently produced a positive revenue stream due to a favorable average price spread between the AECO and PG&E CityGate pricing hubs. Pursuant to the applicable NOVA Tariff (Rate Schedule FT-D), if NCPA elects to extend its pipeline contract for the NOVA section of the pipeline for a five (5) year term, NCPA will receive a ten percent (10%) discount from the then stated Tariff rate that NCPA would otherwise be charged for holding such pipeline capacity. This discount will produce an estimated savings of \$72,000 during the five (5) year term of the contract. Based on the fact that the assets has produced consistent benefits for the members during the past two (2) years, and NCPA staff anticipates such benefits will continue into the future, staff are now recommending a longer term extension of the pipeline contracts to take advantage of the discount offered. The recommended five (5) year extension of the Canadian pipeline contracts will also ensure that NCPA's contract rights for all four (4) segments of pipeline are aligned.

FISCAL IMPACT:

Based on current transportation rates, the cost for acquiring natural gas pipeline transportation capacity on the NOVA system is approximately \$145,000 per year, and acquiring natural gas pipeline transportation capacity on the Foothills system is approximately \$70,000 per year. All costs associated with acquiring natural gas pipeline transportation capacity on the NOVA and Foothills system are included in the NCPA annual budget, and are treated as Project Costs and allocated to the STIG project participants based on their respective project participation percentages.

ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation was reviewed by the Facilities Committee on September 6, 2017 and was recommended for Commission approval.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachment: Resolution 17-84

SR: 208:17

RESOLUTION 17-84

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVAL OF EXTENSION OF NATURAL GAS PIPELINE TRANSPORTATION CONTRACTS FOR THE NGTL AND FOOTHILLS BC PIPELINE TRANSPORTATION SYSTEMS

(reference Staff Report #208:17)

WHEREAS, in 1991, Northern California Power Agency ("NCPA") entered into natural gas pipeline transportation contracts to acquire firm natural gas pipeline transport from Alberta, Canada (AECO) to the Pacific Gas and Electric Company natural gas transportation pipeline system ("PG&E Citygate") on behalf of the Combustion Turbine No. 2 ("STIG") project participants; and

WHEREAS, the contiguous transport path is made up of four (4) separate sections of pipeline: (i) TransCanada NGTL Transportation System ("NOVA"), (ii) TransCanada Foothills BC Transportation System ("Foothills"), (iii) TransCanada GTN Transportation System ("GTN"), and (iv) PG&E California Gas Transmission ("CGT"); and

WHEREAS, the contract commitments made for the two (2) United States segments of the pipeline (GTN and CGT) have a term of thirty (30) years and remain in effect through October 31, 2023; and

WHEREAS, the contract commitments made for the two (2) Canadian segments of the pipeline (NOVA and Foothills) were made with an initial term of fifteen (15) years and were in effect through October 31, 2009; and

WHEREAS, since October 31, 2008, NCPA has renewed the contract commitments for the two (2) Canadian segments of the pipeline on a year-by-year basis, and the current contract commitments for the two (2) Canadian segments of the pipeline are effective through October 31, 2018; and

WHEREAS, pursuant to the respective tariffs, the NOVA and Foothills natural gas pipeline contracts may be extended per a request submitted one (1) year in advance of the effective expiration date of the contract; and

WHEREAS, the current NOVA and Foothills contracts are set to expire on October 31, 2018, and in order for NCPA to maintain its contiguous natural gas pipeline capacity from AECO to PG&E Citygate, NCPA will need to submit its request to extend the NOVA and Foothills transportation contracts for an additional year by October 31, 2017; and

WHEREAS, failure to renew the NOVA and Foothill segments of the pipeline will: (i) result in a mismatch of pipeline transportation capacity from AECO to PG&E Citygate, (ii) forfeit NCPA's first right to firm transportation capacity on the NOVA and Foothills transportation systems, and (iii) negatively impact the value of the pipeline capacity release payments made to NCPA under the Asset Management Agreement between NCPA and Noble Americas, which are based on the price differences between the AECO and PG&E Citygate pricing hubs; and

WHEREAS, based on current transportation rates, the cost for acquiring natural gas pipeline transportation capacity on the NOVA system is approximately \$145,000 per year, and acquiring natural gas pipeline transportation capacity on the Foothills system is approximately \$70,000 per year; and

WHEREAS, pursuant to the applicable NOVA Tariff (Rate Schedule FT-D), if NCPA elects to extend its pipeline contract for the NOVA section of the pipeline for a five (5) year term, NCPA will receive a ten percent (10%) discount from the then stated Tariff rate that NCPA would otherwise be charged for holding such pipeline

capacity, and the discount will produce an estimated savings of \$72,000 during the five (5) year term of the contract; 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, on behalf of NCPA, to extend the natural gas pipeline transportation contracts to maintain NCPA's natural gas pipeline transport volume rights on the NOVA and Foothills transportation systems for five (5) year through October 31, 2023.

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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY



Commission Staff Report

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Provision of Services to Pioneer Community Energy

AGENDA CATEGORY: Discussion/Action

FROM:	David Dockham <i>DD</i>	METHOD OF SELECTION:
	AGM, Power Management	N/A
Division:	Power Management	<i>If other, please describe:</i>
Department:	Industry Restructuring	

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

RECOMMENDATION:

NCPA staff recommends that the Commission approve and authorize: (i) NCPA to enter into a Services Agreement with Pioneer Community Energy under which NCPA may supply certain scheduling and portfolio management services to Pioneer Community Energy, including any non-substantive modification to the Services Agreement approved by NCPA's General Counsel, and (ii) delegated authority to the General Manager of NCPA to negotiate the amount of compensation to be charged to Pioneer Community Energy for NCPA's provision of Services within a defined range, as further set forth herein.

BACKGROUND:

The County of Placer, and other signatory participants, have formed the Pioneer Community Energy Program (PCCE) (formally known as Sierra Valley Energy Authority), a Joint Powers Agency, to perform certain functions, including, but not limited to, establishing and managing a Community Choice Aggregation (CCA) program within the County of Placer. PCCE has expressed an interest in taking certain scheduling and portfolio management services from Northern California Power Agency (NCPA). It is forecasted that PCCE may serve a significant portion of the load contained in the County of Placer that is currently being served by the Pacific Gas and Electric Company (excluding load currently served by the City of Roseville, Truckee Donner PUD, and Plumas-Sierra Rural Electric Cooperative).

SERVICES:

In response to PCCE's request, NCPA staff are seeking Commission approval and authorization to enter into a Services Agreement under which NCPA may supply certain scheduling and portfolio management services to PCCE. The key provisions contained in the Services Agreement include: (i) a defined scope of services, terms for compensation, language to limit and protect NCPA's liability, various collateral and security requirements, and an initial term of two (2) years. The scope of services includes: scheduling services, control center services, and portfolio management and optimization services. The Services Agreement also enables NCPA to act as PCCE's Scheduling Coordinator during the first one (1) year of the term of the agreement, during which time PCCE will work to register and establish its own Scheduling Coordinator. At the point PCCE has completed its Scheduling Coordinator registration process, the content of PCCE's power portfolio then currently being scheduled by NCPA will be transferred to the PCCE Scheduling Coordinator, and if such is not completed by December 31, 2018, NCPA retains the right to terminate the Services Agreement.

A copy of the Services Agreement is attached to this staff report for your reference.

FISCAL IMPACT:

NCPA staff recommends that the Commission delegate authority to the General Manager of NCPA to negotiate an amount of compensation for NCPA's provision of services to PCCE within the following range: \$362,000 to \$488,000.

The proposed compensation range stated herein was developed using the NCPA Power Management Cost Allocation Spreadsheet Model (commonly known and the "Nexant Model") as a reference. The cost of service developed using the Nexant Model is based on a set of

modeling assumptions that were presented to and reviewed by both the Utility Directors and the Facilities Committee, including action requested by the Facilities Committee to allocate certain directly assigned costs in proportion to how such costs are allocated in the model.

In addition to compensation for services attributed to regular operations, NCPA staff also recommends that the Commission delegate authority to the General Manager of NCPA to incorporate an integration charge into NCPA's offer made to PCCE, that would be separately stated, and may or may not be included in the regular operations negotiating range stated above if such is deemed appropriate by the General Manager, based on estimated costs associated with integrating PCCE into NCPA's business processes.

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

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 stated herein was reviewed by the Facilities Committee on September 20, 2017. No formal action was taken due to the lack of a quorum, however, the committee members present at the meeting voiced their support for the recommendation stated herein and no other meeting attendees had any objections.

Respectfully submitted,


RANDY S. HOWARD
General Manager

Attachments: 2

- Resolution 17-85
- Pioneer Community Energy Services Agreement

RESOLUTION 17-85

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY PROVISION OF SERVICES TO PIONEER COMMUNITY ENERGY

(reference Staff Report #210:17)

WHEREAS, the County of Placer, and other signatory participants, have formed the Pioneer Community Energy Program (PCCE) (formally known as Sierra Valley Energy Authority), a Joint Powers Agency, to perform certain functions, including, but not limited to, establishing and managing a Community Choice Aggregation (CCA) program within the County of Placer; and

WHEREAS, PCCE has expressed an interest in taking certain scheduling and portfolio management services from Northern California Power Agency (NCPA); and

WHEREAS, in response to PCCE's request, NCPA staff are seeking Commission approval and authorization to enter into a Services Agreement under which NCPA may supply certain scheduling and portfolio management services to PCCE; and

WHEREAS, the key provisions contained in the Services Agreement include: (i) a defined scope of services, terms for compensation, language to limit and protect NCPA's liability, various collateral and security requirements, and an initial term of two (2) years; and

WHEREAS, the scope of services includes: scheduling services, control center services, and portfolio management and optimization services; and

WHEREAS, the Services Agreement also enables NCPA to act a PCCE's Scheduling Coordinator during the first one (1) year of the term of the agreement, during which time PCCE will work to register and establish its own Scheduling Coordinator, and at the point PCCE has completed its Scheduling Coordinator registration process, the content of PCCE's power portfolio then currently being scheduled by NCPA will be transferred to the PCCE Scheduling Coordinator, and if such is not completed by December 31, 2018, NCPA retains the right to terminate the Services Agreement; and

WHEREAS, NCPA staff recommends that the Commission delegate authority to the General Manager of NCPA to negotiate an amount of compensation for NCPA's provision of services to PCCE within a defined range, as further set forth in Staff Report #210:17; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency approves and authorizes: (i) the General Manager of NCPA, on behalf of NCPA, to enter into a Services Agreement with Pioneer Community Energy under which NCPA may supply certain scheduling and portfolio management services to Pioneer Community Energy, including any non-substantive modifications to the Services Agreement approved by NCPA's General Counsel, and (ii) delegates authority to the General Manager of NCPA to negotiate the amount of compensation to be charged to Pioneer Community Energy for NCPA's provision of Services within a defined range, as further set forth in Staff Report #210:17.

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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

SERVICES AGREEMENT

BETWEEN

NORTHERN CALIFORNIA POWER AGENCY

AND

PIONEER COMMUNITY ENERGY

Table of Contents

Section 1. RECITALS	1
Section 2. DEFINITIONS	2
Section 3. PURPOSE OF AGREEMENT	6
Section 4. SERVICES TO BE PROVIDED AND STANDARDS OF PERFORMANCE	6
Section 5. TERM AND TERMINATION	7
Section 6. INDEMNITY AND INSURANCE	8
Section 7. COMPENSATION	9
Section 8. BILLING AND PAYMENT	9
Section 9. COOPERATION AND FURTHER ASSURANCES	11
Section 10. DEFAULTS	11
Section 11. CAISO SECURITY DEPOSIT AND CREDIT REQUIREMENTS	14
Section 12. SECURITY ACCOUNT	15
Section 13. SETTLEMENT OF DISPUTES	17
Section 14. STATUS OF NCPA	18
Section 15. MISCELLANEOUS	18
APPENDIX A (SCOPE OF SERVICES)	1
APPENDIX B (COMPENSATION SCHEDULE)	1
APPENDIX C (SCHEDULING PROCEDURES)	1
APPENDIX D (OPERATING PROCEDURES)	1
APPENDIX E (CUSTOMER RESOURCES)	1
APPENDIX F (TASK ORDER PROCESS)	1

This SERVICES AGREEMENT (“Agreement”) is made by and between the Northern California Power Agency, a joint powers agency of the State of California (“NCPA”), and Pioneer Community Energy, a joint powers agency of the State of California (“Customer”). NCPA and Customer are together sometimes referred to herein individually as a “Party” and collectively as the “Parties”.

This Agreement is made as of _____, 20__ (the “Effective Date”) in Roseville, California.

Section 1. RECITALS

This Agreement is entered into based on the following facts, among others:

1.1 NCPA has heretofore been duly established as a joint powers agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

1.2 Customer is a joint powers agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

1.3 NCPA is a certified Scheduling Coordinator in accordance with the CAISO Tariff.

1.4 NCPA has established facilities, staff and the capability for the provision of Services to Customer.

1.5 Customer desires NCPA to provide Services to Customer.

1.6 NCPA is willing to provide Customer with Services pursuant to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, NCPA and Customer agree as follows:

Section 2. DEFINITIONS

2.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings, provided, capitalized terms used in this Agreement (including the Recitals hereto) that are not defined in Section 2 of this Agreement shall have the meaning indicated in Appendix A Master Definition Supplement of the CAISO Tariff:

2.1.1 “Agreement” means this Services Agreement, including all Appendices, attached hereto.

2.1.2 “Balance of Month Transaction” means a purchase or sale of electric energy, capacity and/or other related attribute for a term not greater than one month to be performed or delivered within the current or next succeeding calendar month.

2.1.3 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time.

2.1.4 “Calendar Day” means all days, including Saturdays, Sundays or Federal Reserve Bank holidays.

2.1.5 “California Independent System Operator Corporation” or “CAISO” means the non-profit public benefit corporation responsible for the provision of fair and open transmission access, and maintaining reliable and efficient operation of that portion of the electric grid contained within its defined balancing authority area, pursuant to the California Public Utilities Code, or its successor entity.

2.1.6 “CAISO Tariff” means the CAISO FERC Electric Tariff.

2.1.7 “Commission” means the NCPA Commission established by the Joint Powers Agreement.

2.1.8 “Customer” has the meaning set forth in the preamble hereto.

2.1.9 “Effective Date” has the meaning set forth in the preamble hereto.

2.1.10 “Electric System” means all properties and assets, real and personal, tangible and intangible, of the Customer now or hereafter existing, used or pertaining to the generation for resale, transmission, transformation, distribution or sale of electric capacity and energy, or the utilization of such, including all additions, extensions, expansions, improvements and betterments thereto and equipment thereof; provided, however, that to the extent the Customer is not the sole owner of an asset or property or to the extent that an asset or property is used in part for generation for resale, transmission, transformation, distribution or sale of electric capacity and energy, only the Customer’s ownership interest in such asset or property or only the part of the asset or property used for electric purposes shall be considered to be part of its Electric System.

2.1.11 “Event of Default” has the meaning set forth in Section 10.1 of this Agreement.

2.1.12 “FERC” means the Federal Energy Regulatory Commission, or its regulatory successor.

2.1.13 “General Manager” means the General Manager of NCPA.

2.1.14 “Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry within the United States of America during the relevant time period, which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with NERC or WECC approved business practices, reliability and safety. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the electric utility industry within the United States of America.

2.1.15 “Joint Powers Agreement” means the Amended and Restated Northern California Power Agency Joint Exercise of Powers Agreement dated as of January 31, 2008.

2.1.16 “NCPA” has the meaning set forth in the preamble hereto.

2.1.17 “NERC” means the North American Electric Reliability Corporation, or its successor.

2.1.18 “Operating Entity” means an entity that determines the use of and coordinates scheduling of their load, resources, imports and exports, trades, ancillary services and/or other CAISO products, in accordance with established scheduling requirements, including those requirements determined by NCPA.

2.1.19 “Party” or “Parties” has the meaning set forth in the recitals hereto; provided that “Third Parties” are entities that are not party to this Agreement.

2.1.20 “Reliability Standards” means requirements approved by FERC under Section 215 of the Federal Power Act to provide for reliable operation of the bulk power system.

2.1.21 “Scheduling Agent” means an entity authorized to act as agent on behalf of a Scheduling Coordinator, and shall perform certain Scheduling Coordinator duties and requirements on behalf of a Scheduling Coordinator.

2.1.22 “Scheduling Coordinator” means an entity certified by the CAISO for the purposes of undertaking the functions of a Scheduling Coordinator specified in the CAISO Tariff, including, but not limited to, submitting and settling bids, self-schedules, and trades in the CAISO markets.

2.1.23 “Security Account” means an account established at NCPA pursuant to this Agreement. The Security Account is established to: (1) make timely payments to the CAISO under the CAISO Tariff, (2) provide working capital for NCPA’s provision of Services and to bridge timing differences between the receipt of payments from Customer and the date payments are due to the CAISO, (3) satisfy CAISO security deposit requirements, if any, and (4) protect NCPA from potential Customer default by providing funds and time to cure.

2.1.24 “Services” shall have the meaning as set forth in Section 4.1 of this Agreement.

2.1.25 “Significant Operational Change” shall have the meaning as set forth in Section 15.20 of this Agreement.

2.1.26 “Significant Regulatory Change” shall have the meaning as set forth in Section 15.20 of this Agreement.

2.1.27 “Third Party” means an entity that is not a Party to this Agreement.

2.1.28 “Uncontrollable Forces” means storm, flood, lightning, earthquake, tsunami, fire, explosion, failure of facilities not due to lack of proper care or maintenance, civil disturbance, labor dispute, sabotage, war, national emergency, restraint by court or public authority, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other causes beyond the control of the affected Party which such Party could not reasonably have been expected to avoid by exercise of Good Utility Practice, due diligence and foresight.

2.1.29 “WECC” means the Western Electricity Coordinating Council, or its successor(s).

2.2 Rules of Interpretation. As used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise: The terms “herein,” “hereto,” “herewith” and “hereof” are references to this Agreement taken as a whole and not to any particular provision; the term “include,” “includes” or “including” shall mean “including, for example and without limitation;” and references to a “Section,” “subsection,” “clause,” “Appendix,” “Schedule”, or “Exhibit” shall mean a Section, subsection, clause, Appendix, Schedule or Exhibit of this Agreement, as the case may be. All references to a given agreement, instrument, tariff or other document, or law, regulation or ordinance shall be a reference to that agreement, instrument, tariff or other document, or law, regulation or ordinance as such now exists and as may be amended from time to time, or its successor. A reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having a separate legal personality and includes its successors and permitted assigns. A reference to a “day” shall

mean a Calendar Day unless otherwise specified. The singular shall include the plural and the masculine shall include the feminine, and vice versa.

Section 3. PURPOSE OF AGREEMENT

The purpose of this Agreement is to set forth the terms and conditions under which NCPA will supply Customer with Services.

Section 4. SERVICES TO BE PROVIDED AND STANDARDS OF PERFORMANCE

4.1 NCPA Duties. The duties of NCPA under this Agreement are to provide services to Customer as fully described in Appendix A hereto (“Services”).

4.2 Customer Duties. The duties of the Customer under this Agreement are to:

4.2.1 Timely provide certain information to NCPA that is required for NCPA to perform Services, as fully described in Appendix A hereto.

4.2.2 Make timely payments to NCPA for all CAISO charges and credits for services invoiced by NCPA to Customer in accordance with Section 8 of this Agreement.

4.2.3 Provide staff and other assistance as may be required from time to time to the extent necessary for NCPA to fulfill its duties as described in Section 4.1 of this Agreement.

4.2.4 Comply with all requirements of the CAISO Tariff, as applicable, in respect to the operation and maintenance of its Electric System and other facilities covered under this Agreement.

4.2.5 Provide security or other deposits required by the CAISO, if any, to NCPA in accordance with Section 11 of this Agreement.

4.2.6 Initially fund and maintain sufficient deposits in its Security Account in accordance with Section 12 of this Agreement.

4.2.7 Make timely payment of all costs associated with NCPA’s provision of Services, as set forth in this Agreement.

4.2.8 Except as provided in Section 6 of this Agreement, defend and indemnify NCPA in regard to Services provided to Customer by NCPA.

4.3 Standard of Performance. NCPA will perform Services using the level of skill and attention reasonably required to complete the Services in a competent and timely manner, in accordance with Good Utility Practices.

4.4 Assignment of Personnel. NCPA shall assign only competent personnel to perform Services pursuant to this Agreement.

4.5 Time. NCPA shall devote such time to the performance of Services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 4.3, and to satisfy NCPA's obligations hereunder.

Section 5. TERM AND TERMINATION

5.1 Term. The initial term of this Agreement shall begin on the Effective Date and shall continue uninterrupted through December 31, 2019 (the "Initial Term"). At the end of the initial term of this Agreement, or any subsequent term of this Agreement, the term of this Agreement shall automatically extend for an additional two (2) year period unless a Party provides written Notice of Termination pursuant to Section 5.2, of its election not to automatically extend the term of the agreement.

5.2 Termination. This Agreement may be terminated by either Party at the end of the Initial Term, or at the end of any subsequent two (2) year extension, by providing written notice to the other Party at least one hundred eighty (180) Calendar Days prior to the end of the current term of the Agreement ("Notice of Termination"); provided, however, NCPA shall have the right, but not the obligation, to terminate this Agreement on December 31, 2018, if Customer by such time has not completed the process of transferring and/or migrating the content of its portfolio (including, but not limited to, loads, generation, trades, and/or other scheduled CAISO products) that is being scheduled on behalf of Customer in a Scheduling Coordinator account (commonly referred to as "SCID") registered by NCPA, to a Scheduling Coordinator account registered by Customer.

5.3 No Effect on Prior Liabilities. Termination of this Agreement will not terminate any Customer ongoing or un-discharged liabilities, credits or obligations of Customer, including any contingent liabilities, credits or obligations, resulting from this Agreement until they are satisfied in full, or for which Customer has provided a mechanism acceptable to NCPA, for the satisfaction in full thereof.

Section 6. INDEMNITY AND INSURANCE

6.1 Limitation of Liability.

6.1.1 Except as provided in Section 6.1, neither NCPA nor Customer (the “Responsible Party”) shall at any time be liable for any injury or damage occurring to the other (the “Harmed Party”) or any third person or property from any cause whatsoever arising out of this Agreement.

6.1.2 The provisions of this Section 6.1.1 shall not apply where the injury or damage occurring to a Harmed Party is caused by the negligence of the Responsible Party or any of the Responsible Party’s employee’s, agents or contractors, and provided that any liability under this subsection is limited to the extent of the actual coverage and coverage limits of the insurance policies described in Section 6.3, which are maintained by the Responsible Party.

6.2 Notice. The Parties shall give each other prompt notice of the making of any claim or the commencement of any action, suit or proceeding covered by the provisions of this Section 6.

6.3 Insurance. During the term of this Agreement, both Parties agree to maintain, or cause to be maintained, in full force and effect, and at their respective sole cost and expense, the following types and limits of liability insurance (“Insurance”):

6.3.1 One-million dollars per occurrence for Workers’ Compensation and Employer’s Liability;

6.3.2 One-million dollars in limits per occurrence in Automobile Liability;

and

6.3.3 Twenty-million in single combined limits for Commercial General Liability Insurance.

Evidence of each Party's Insurance shall be maintained, and provided to the other Party upon request. All insurance policies, with the exception of Workers' Compensation, shall name the other Party as additionally insured. Each Party agrees to waive the right of subrogation where it is legal to do so.

Each Party shall designate the required insurance liability limits for any subcontractors performing work in connection with, or in performance of any aspect of this Agreement, and in accordance to their risk management requirements.

Section 7. COMPENSATION

7.1 Compensation for Services. Customer shall pay NCPA the amounts set forth in Appendix B for NCPA's provision of Services to Customer in accordance with the terms and conditions of this Agreement. Such amount shall be billed to Customer in accordance with Section 8 of this Agreement.

7.2 CAISO Charges and Credits. All charges and credits invoiced by the CAISO to NCPA associated with Services provided under this Agreement will be charged or credited to Customer, and shall be paid to NCPA by Customer in addition to the compensation stated in Section 7.1. Such CAISO charges and credits shall be billed to Customer in accordance with Section 8 of this Agreement.

Section 8. BILLING AND PAYMENT

8.1 Invoices. NCPA will issue a monthly invoice to Customer for estimated and actual CAISO charges and credits, costs associated with NCPA's provision of Services, and all other costs for Services (e.g., power supply costs) provided in accordance with this Agreement. Such invoices will be made pursuant to the requirements and procedures provided for in this Agreement. At NCPA's discretion, invoices may be issued to Customer using electronic media or physical distribution.

8.2 Payment of Invoices. All non-emergency invoices delivered by NCPA to Customer are due and payable thirty (30) Calendar Days after the date thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the next following Business Day. NCPA may apply Customer's Security Account to the payment of all or any portion of an invoice to Customer, provided that application of such funds from the Security Account shall not relieve Customer from any late payment charges pursuant to Section 8.3. To the extent that NCPA applies funds from the Security Account to pay an amount due under an invoice, following receipt of payment of such invoice by Customer, NCPA shall deposit the relevant portion of the payment into the Security Account and credit such deposit to Customer. Emergency invoices delivered by NCPA shall be due and payable on the date indicated on such invoice, or as indicated in Section 12.5.

8.3 Late Payments. Any amount due and not paid by Customer in accordance with Sections 8.2, Section 11 and Section 12 shall be considered late and bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or reference rate) of the Bank of America N.A. then in effect, plus two percent (2%) or (ii) the maximum rate permitted by law.

8.4 Billing Disputes. Customer may dispute the accuracy of any invoice issued by NCPA under this Agreement by submitting a written dispute to NCPA, within thirty (30) Calendar Days of the date of such invoice; nonetheless Customer shall pay the full amount billed when due. If Customer does not timely question or dispute the accuracy of any invoice in writing, or if NCPA does not identify a discrepancy in the invoice that requires a correction, the invoice shall be deemed to be correct. Upon review of a submitted dispute, if an invoice is determined by NCPA to be incorrect, NCPA shall issue a corrected invoice and refund any amounts that may be due to Customer. If NCPA and Customer fail to agree on the accuracy of an invoice within thirty (30) Calendar Days after Customer has disputed it, the General Manager shall promptly submit the dispute to the Commission for resolution. If the Commission and Customer fail to agree on the accuracy of a disputed invoice within sixty (60) Calendar Days of its submission to the Commission, the dispute may then be resolved under the dispute resolution procedures set forth in Section 13 of this Agreement. Provided, however, that prior

to resorting to alternative dispute resolution procedures, the full amount of the disputed invoice must have been paid.

8.5 Billing/Settlement Data. NCPA shall make billing and settlement data available to Customer as part of the invoice delivered by NCPA, or upon request. NCPA may also, at its sole discretion, make billing and settlement support information available to Customer using electronic media (e.g. electronic data portal). Procedures and formats for the provision of such electronic data submission may be as established by the NCPA Commission from time to time. Without limiting the generality of the foregoing, NCPA may, in its reasonable discretion, require Customer to execute a non-disclosure agreement prior to providing access to the NCPA electronic data portal.

8.6 Examination of Books and Records. Customer shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement at any reasonable, mutually agreed upon time.

All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files or other documents or material, in electronic or any other form, that NCPA prepares or obtains pursuant to this Agreement and that relate to the Services provided hereunder, shall be stored and maintained by NCPA in accordance with NCPA's records retention policies and procedures, as such may be modified from time to time.

Section 9. COOPERATION AND FURTHER ASSURANCES

Each of the Parties agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are consistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement. The Parties agree to cooperate and act in good faith in connection with obtaining any credit support required in order to satisfy the requirements of this Agreement.

Section 10. DEFAULTS

10.1 Events of Default. An Event of Default under this Agreement shall exist upon the occurrence of any one or more of the following by a Party (the “Defaulting Party”):

(i) the failure of Customer to make any payment (other than an emergency addition to the Security Account pursuant to Section 12.5) in full to NCPA when due, where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure;

(ii) the failure of Customer to make any payment of an emergency addition to the Security Account when due pursuant to Section 12.5;

(iii) the failure of a Party to perform any covenant or obligation of this Agreement where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from the other Party demanding cure. Provided, that this subsection shall not apply to any failure to make payments specified by subsection 10.1 (i) or (ii); or

(iv) if any representation or warranty of a Party material to the Services provided hereunder shall prove to have been incorrect in any material respect when made and the Party does not cure the facts underlying such incorrect representation or warranty so that the representation or warranty becomes true and correct within thirty (30) Calendar Days of the date of receipt of notice from a Party demanding cure.

10.2 Uncontrollable Forces. A Party shall not be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of Uncontrollable Forces. Provided, that in order to be relieved of an Event of Default due to Uncontrollable Forces, a Party affected by an Uncontrollable Force shall:

(i) first provide oral notice to the General Manager, or in the case of Customer, to the representative selected by Customer, using telephone communication within two (2) Business Days of the onset of the Uncontrollable Force, and subsequently provide written notice to the Party’s representative within ten (10) Business Days of the onset of the Uncontrollable Force, describing its nature and extent, the obligations which the Party is unable to fulfill, the anticipated duration of the Uncontrollable Force, and the actions which the Party

will undertake so as to remove such disability and be able to fulfill its obligations hereunder;
and

(ii) use due diligence to place itself in a position to fulfill its obligations hereunder and if unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such disability with reasonable dispatch. Provided, that nothing in this subsection shall require a Party to settle or compromise a labor dispute.

10.3 Cure of an Event of Default. An Event of Default shall be deemed cured only if such default shall be remedied or cured within the time periods specified in Section 10.1 above, as may be applicable.

10.4 Remedies in the Event of Uncured Default. Upon the occurrence of an Event of Default which is not cured within the time limits specified in Section 10.1, without limiting other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action a non-defaulting Party may have against the defaulting Party, a non-defaulting Party may take any or all of the following actions:

(i) NCPA may suspend the provision of Services under this Agreement to Customer;

(ii) NCPA may demand that Customer provide further assurances to guarantee the correction of the default;

(iii) The non-defaulting Party may terminate this Agreement as to the defaulting Party, on ten (10) Calendar Days prior written notice to the Defaulting Party;

(iv) NCPA may utilize the funds available in Customer's Security Account to cure and default under Section 10.1(i) and thereafter demand replenishment of the Security Account.

10.5 Special Covenants Regarding Security Account. In the event that Customer's Security Account is insufficient to cover all invoices for costs incurred under this Agreement delivered to Customer, then, without limiting NCPA's other rights or remedies available under

this Agreement, at law or in equity, Customer shall cooperate in good faith with NCPA and shall cure the default as rapidly as possible, on an emergency basis, taking all such action as is necessary to replenish its Security Account as provided herein, drawing on its cash-on-hand and lines of credit, obtaining further assurances by way of credit support and letters of credit, and taking all such other action as will cure the default with all due haste.

10.6 Effect of Termination or Suspension.

10.6.1 Generally. The termination or suspension of this Agreement will not terminate, waive, or otherwise discharge any ongoing or undischarged liabilities, credits or obligations arising from this Agreement until such liabilities, credits or obligations are satisfied in full.

10.6.2 Suspension. If performance of all or any portion of this Agreement is suspended by NCPA in accordance with Section 10.4 (i), Customer shall pay any and all costs incurred by NCPA as a result of such suspension including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, or other reasonable and necessary costs associated with such suspension and any portion of the costs associated with NCPA's provision of Services that were not recovered from Customer as a result of such suspension.

10.6.3 Termination. If this Agreement is terminated by a Party in accordance with Section 10.4 (iii), the Defaulting Party shall pay any and all costs incurred by the other Party as a result of such termination, including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, other reasonable and necessary costs associated with such termination, and as to Customer, any portion of costs associated with NCPA's provision of Services that were not, or will not be, recovered from Customer as a result of such termination.

Section 11. CAISO SECURITY DEPOSIT AND CREDIT REQUIREMENTS

Any credit requirements, including, but not limited to, security, collateral, unsecured credit, or other deposits required by the CAISO, shall be provided by Customer prior to NCPA providing Services under this Agreement, and shall be maintained as may be required

thereafter pursuant to the CAISO Tariff. Failure to maintain sufficient credit, security, collateral, unsecured credit, or other deposits may impact NCPA's ability to perform certain Services under this agreement. NCPA shall maintain a detailed accounting of Customer's credit, security, collateral, unsecured credit or other deposits. Any changes in credit, security, unsecured credit or other deposits required by the CAISO Tariff may be provided by NCPA from Customer's Security Account, and NCPA shall invoice Customer within two (2) Business Days for such required amounts, and will use the funds collected from Customer to fund the Security Account.

Section 12. SECURITY ACCOUNT

Any Customer deposits into the Security Account pursuant to this Agreement shall be separate from and in addition to any security accounts maintained pursuant to any other agreements between NCPA and the Customer, NCPA and any Third Person, or any other such security account required of Customer.

12.1 Applicability. The requirement for Customer to initially deposit and maintain a Security Account pursuant to Section 12.2 and Section 12.3 is only applicable if NCPA, acting for or on behalf of Customer, is directly responsible for making payments to the CAISO and processing charges and credits invoiced by the CAISO to NCPA, associated with Services provided under this Agreement, including all charges and credits associated with security deposits as may be required pursuant to the CAISO Tariff. For the purpose of clarity, when NCPA provides Services as Customer's Scheduling Coordinator, Section 12.2 and Section 12.3 shall apply; provided, however, when NCPA provides Services as Customer's Scheduling Agent, Customer shall not be required to initially deposit and maintain a Security Account pursuant to Section 12.2 and Section 12.3 if Customer retains the direct responsibility for making payments to the CAISO and processing charges and credits invoiced by the CAISO to Customer, associated with Services provided under this Agreement, including all charges and credits associated with security deposits as may be required pursuant to the CAISO Tariff.

12.2 Initial Amounts. Prior to NCPA providing Services, Customer shall deposit into a Security Account held by NCPA an amount equal to the highest three (3) months of estimated

CAISO invoices (including, but not limited to, costs such as energy costs, Grid Management Charge fees, operating reserves costs, and regulation capacity costs) for the succeeding twelve (12) months; provided, however, that such deposit may be satisfied in whole or in part either in cash or through a clean, irrevocable letter of credit satisfactory to the General Manager. NCPA shall maintain a detailed accounting of Customer's deposit in the Security Account.

12.3 Subsequent Deposits. Periodically, and at least quarterly, NCPA shall review and revise its estimate of all costs Customer shall be obligated to pay under this Agreement. Following such review, NCPA shall determine whether Customer has a sufficient balance in the Security Account. To the extent that Customer's balance in the Security Account is greater than one hundred and ten percent (110%) of the amount required by Section 12.2, NCPA shall credit such amount as soon as practicable to Customer's next monthly invoice. To the extent that Customer's balance in the Security Account is less than ninety percent (90%) of the amount required by Section 12.2, NCPA shall add such amount as soon as practicable to Customer's next monthly invoice, or as necessary, to a special invoice to Customer. Credits or additions shall not be made if Customer satisfies these Security Account requirements in whole through the use of a letter of credit, provided that the amount of the letter of credit shall be adjusted by Customer as necessary in a like manner to assure an amount equal to the highest three (3) months of CAISO invoices is available to NCPA.

12.4 Use of Security Account Funds.

12.4.1 NCPA may use any and all funds deposited into the Security Account (or utilize a letter of credit provided in lieu thereof) to pay any costs it incurs hereunder, irrespective of whether NCPA has issued an invoice for such costs to Customer or whether Customer has made timely payments of invoices. Should Customer satisfy its Security Account requirements in whole or part through a letter of credit, NCPA may draw on such letter of credit to satisfy obligations hereunder.

12.4.2 If funds deposited into the Security Account, or provided through a letter of credit, are used by NCPA to pay any costs it incurs hereunder, NCPA, pursuant to

Section 8.5, will maintain a detailed accounting of Customer's shares of funds withdrawn from the Security Account or letter of credit.

12.5 Emergency Additions. In the event that the funds are withdrawn pursuant to Section 12.4 of this Agreement, or if the Security Account is insufficient to allow payment of a CAISO invoice, NCPA shall notify Customer and then prepare and send a special or emergency assessment to Customer. Customer shall pay to NCPA such assessment when and if assessed by NCPA within two (2) Business Days of the invoice date of the assessment or consent to and direct NCPA to draw on any existing letter of credit Customer has established for such purposes.

12.6 Accounting and Interest. NCPA shall maintain a detailed accounting of Customer's deposits into and withdrawals from the Security Account. Monies on deposit in the Security Account may be invested by NCPA along with the other funds of NCPA in accordance with policies set by the Commission from time to time in its sole discretion. Interest, if any, earned on the Security Account shall be credited to Customer's Security Account. Any losses in the Security Account caused by early termination of investments or otherwise shall be charged to Customer's Security Account. NCPA makes no representation that the Security Account will earn any particular amount of interest or any interest, and Customer acknowledges that the amounts in the Security Account may lose value. NCPA shall not be liable for any investment losses to Customer's funds held in the Security Account.

12.7 Return of Funds. On the termination of this Agreement Customer's Security Account funds shall be paid to Customer ninety (90) Calendar Days after the effective date of such termination. NCPA shall, in its sole discretion, as determined by the General Manager, estimate the then outstanding liabilities of Customer, including any estimated contingent liabilities, and shall retain all such funds until all such liabilities have been fully paid or otherwise satisfied in full. After such determination by the General Manager, the balance of Customer's Security Account will be refunded to Customer within sixty (60) Calendar Days.

Section 13. SETTLEMENT OF DISPUTES

13.1 Settlement of Disputes. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Customer and NCPA agree to resolve the dispute in accordance with the following:

13.1.1 Each Party shall designate a senior management or executive level representative to negotiate any dispute.

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

13.1.3 If the issue remains unresolved after sixty (60) Calendar Days of good faith negotiations, despite having used their best efforts to do so, either Party may pursue whatever other remedies may be available to it.

13.1.4 This informal 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.*

Section 14. STATUS OF NCPA

At all times during the term of this Agreement, NCPA shall be an independent contractor and shall not be an employee of Customer. Customer shall have the right to control NCPA only insofar as the results of NCPA's Services rendered pursuant to this Agreement; however, otherwise Customer shall not have the right to control the means by which NCPA accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other agency, state, local or federal policy, rule, regulation, law, or ordinance to the contrary, NCPA 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 Customer, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Customer and entitlement to any contribution to be paid by Customer for employer contributions and/or employee contributions for PERS benefits.

Section 15. MISCELLANEOUS

15.1 Confidentiality. The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement, to the extent possible, consistent with applicable laws, including the California Public Records Act. Confidential or trade secret information shall be marked or expressly identified as such.

If a Party ("Receiving Party") receives a request from a Third Party for access to, or inspection, disclosure or copying of, any of the other Party's (the "Supplying Party") confidential data or information ("Disclosure Request"), then the Receiving Party shall provide notice and a copy of the Disclosure Request to the Supplying Party within three (3) Business Days of receipt of the Disclosure Request. Within three (3) Business Days of receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Receiving Party shall deny the Disclosure Request and the Supplying Party shall defend the denial of the Disclosure Request at its sole cost, and it shall indemnify the Receiving Party for all costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the Receiving Party shall include all of the Receiving Party's costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to costs, penalties, and the Receiving Party's attorney's fees; or

(ii) the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

15.2 Indemnification and Hold Harmless. Subject to the provisions of Sections 6 and 15.4, each Party agrees to indemnify, defend and hold harmless the other Party, including their respective governing boards, officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of litigation, including experts, to the extent caused by any acts, omissions, breach of contract, negligence (active or passive), gross

negligence, recklessness, or willful misconduct of that Party, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

15.3 Survival of Obligations. The defense and indemnity obligations of Section 15.2 shall survive the termination of this Agreement.

15.4 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL A PARTY OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND EACH PARTY HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

15.5 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the other Party. Any such waiver by the other

Party in any particular instance shall not be deemed a waiver with respect to any subsequent performance, default or matter.

15.6 Amendments. Unless otherwise provided for in this Agreement, this Agreement may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

15.6.1 Amendments of Appendices. The Appendices that are attached to and made part of this Agreement include detailed principles, descriptions and procedures for NCPA's provision of Services to Customer. Upon mutual written consent of the Designated Representative of each Party, the Appendices of this Agreement may be amended from time to time, without the requirement of an approval as required pursuant to Section 15.6; provided, however, Appendix A and Appendix B may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

15.7 Assignment of Agreement.

15.7.1 Binding Upon Successors. This Agreement, including the Appendices attached hereto, shall inure to the benefit of and shall be binding upon the respective successors and assignees of the Parties to this Agreement.

15.7.2 No Assignment. This Agreement, nor any interest herein, shall be transferred or assigned by a Party hereto except with the consent in writing of the other Parties hereto, where such consent shall not be unreasonably withheld.

15.8 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

15.9 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

15.10 Headings. All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

15.11 Notices. Any notice, demand or request provided for in this Agreement, or served, given or made shall become effective when delivered to the person specified below (the "Designated Representative"):

NCPA:
David Dockham
Assistant General Manager, Power Management
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

Customer:
Jenine Windeshausen
Treasurer-Tax Collector
County of Placer
2976 Richardson Dr.
Auburn, CA 95603

All notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail first class postage prepaid, or on the first Business Day following delivery through electronic communication. A Party may change its Designated Representative by providing notice to the other Party, and such change shall not constitute an amendment to this Agreement.

15.12 Warranty of Authority. Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms.

15.13 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement

without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

15.14 Venue. In the event that a Party brings any action 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.

15.15 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, each Party shall bear its own fees and costs, including attorneys' fees, associated with the action.

15.16 Counsel Representation. Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney's fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 15.2 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

15.17 No Third Party Beneficiaries. Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties, to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.

15.18 Integration; Incorporation. This Agreement, including all the appendices attached hereto, represents the entire and integrated agreement between Customer and NCPA relating to the subject matter of this Agreement, and supersedes all prior negotiations, representations, or agreements, either written or oral. All appendixes attached hereto are incorporated by reference herein.

15.19 Reliability Requirements. Unless otherwise specifically provided for herein, the Parties acknowledge that Customer and NCPA may be both individually responsible for compliance with the WECC and NERC Reliability Standards and criteria applicable to the functions for which each Party are respectively registered with NERC. The references to WECC and NERC Reliability Standards, if any, throughout this Agreement do not make any alteration or enlargement of the requirements or standards applicable to each Party beyond their individual registrations with NERC.

15.20 Significant Regulatory Change or Operational Change.

15.20.1 A “Significant Regulatory Change” shall be deemed to occur if FERC, the CPUC, the CAISO or any other court, public authority, governmental, or other lawfully established civilian authorities having jurisdiction, issues an order or decision or adopts or modifies a tariff or filed contract, or enacts a law that materially interferes with the ability of any Party to perform any of its obligations under this Agreement.

15.20.2 A “Significant Operational Change” shall be deemed to occur due to (i) material amendments and/or revisions to any tariffs, contracts or other applicable documents referenced in this Agreement that directly affect a Party’s obligations under this Agreement, (ii) an action taken by the Balancing Authority that may have a material detrimental impact on the way a Party operates or must operate its Electric System, or that directly affects a Party’s obligations under this Agreement, or (iii) a significant change in Customer’s supply and demand portfolio that may result in material increase in the scale and scope of services contemplated at the Effective Date of this Agreement (e.g., Customer’s load increased more than fifteen (15) percent).

15.20.3 Notification of Significant Regulatory Change or Operational Change. At any time during the term of this Agreement, if any Party anticipates the occurrence of a Significant Regulatory Change or Significant Operational Change that may reasonably be expected to materially interfere with the ability of any Party to perform any of its obligations under this Agreement, or such Significant Regulatory Change or Significant Operational Change occurs, such Party shall provide written notice to the other Party as

soon as practicable. The notice shall contain a description of the Significant Regulatory Change or Significant Operational Change, including expected time schedules, and of the effect of the significant change to the Parties. If the Party giving notice believes that it will be necessary to amend this Agreement to address the anticipated change or change when it has occurred, then the notice to the other Party may include a proposal that the Parties meet to negotiate an appropriate amendment to this Agreement. The Parties shall promptly enter into good faith negotiations and attempt to achieve a mutually agreeable modification to this Agreement to address any such Significant Regulatory Change or Significant Operational Change.

15.20.4 Amendment of Agreement. If the Parties agree that an amendment to this Agreement is necessary to address a Significant Regulatory Change or Significant Operational Change, the Parties will proceed to negotiate such amendment in good faith. If the Parties have not reached agreement within one hundred and twenty (120) Calendar Days of the date of the first meeting, either Party may terminate this Agreement upon one hundred and eighty (180) Calendar Days prior written notice provided to the other Party.

IN WITNESS WHEREOF, NCPA and Customer have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

Northern California Power Agency

Pioneer Community Energy

RANDY S. HOWARD, General Manager

Attest:

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Approved as to Form:

General Counsel

APPENDIX A

SCOPE OF SERVICES

All services provided by NCPA to Customer pursuant to this Agreement are described in this Appendix A (collectively referred to herein as "Services").

Section 1. SCHEDULING SERVICES

As of the Effective Date of this Agreement, NCPA shall act as Customer's Scheduling Coordinator until the earlier of either: (i) the date on which Customer has completed the process of transferring and/or migrating the content of its portfolio (including, but not limited to, loads, generation, trades, and/or other scheduled CAISO products) from a Scheduling Coordinator account (commonly referred to as "SCID") registered by NCPA, to a Scheduling Coordinator account registered by Customer, or (ii) December 31, 2018. At such time, Customer shall then act as its own Scheduling Coordinator, and shall assign certain scheduling and settlement duties and responsibilities to NCPA, acting as Customer's Scheduling Agent, as further described in Appendix A hereto; provided, however, if Customer has not completed the process of transferring and/or migrating the content of its portfolio to a Scheduling Coordinator account registered by Customer on or prior to December 31, 2018, NCPA shall have the right, but not the obligation, to terminate this Agreement, as set forth in Section 5.2 of this Agreement.

1.1 Description of Service. NCPA shall provide scheduling services ("Scheduling Services") to Customer, acting as Customer's Scheduling Coordinator or Scheduling Agent, as further set forth herein, in accordance with this Agreement, the CAISO Tariff, and other rules and requirements, as applicable. Scheduling Services include the following duties, and are furthermore described in Appendix C of this Agreement:

1.1.1 NCPA, in coordination with Customer, will facilitate Customer's Scheduling Coordinator registration with the CAISO. NCPA will assist Customer with managing the various steps that are required to complete all of the Scheduling Coordinator certification requirements set forth in the CAISO Tariff and Business Practice Manuals.

1.1.2 NCPA will assist Customer with the process of transferring Customer's resources from the Scheduling Coordinator account in which they currently reside, if any, to either NCPA's Scheduling Coordinator account, or Customer's Scheduling Coordinator account.

1.1.3 Development and submission of schedules and Bids for Customer's loads, resources, trades, ancillary services and/or other CAISO products in the CAISO energy and ancillary services markets, or other markets, as applicable. All schedules and Bids will be made and submitted to the CAISO in accordance with Appendix C and the CAISO Tariff, or other balancing authority areas in accordance with the applicable rules and requirements. Customer's owned and operated generation facilities, if any, for which NCPA supplies Scheduling Services on behalf of are listed in Appendix E.

1.1.4 NCPA shall perform outage coordination and management for Customer's generating resource planned and unplanned outages in accordance with applicable rules and requirements, including, but not limited to, the CAISO Tariff and associated operational procedures.

1.1.5 Obtain and maintain settlement quality meter data in accordance with the CAISO Tariff, the MSA CAISO ME or MSA SC, as applicable, to be used for multiple purposes, including, but not limited to forecasting and settlement validation. For the purpose of clarity, Customer intends to acquire, or has acquired, the services of a Third Party supplier to provide and/or perform meter data management services on behalf of Customer. Meter data management services include, but are not limited to, collection of meter data, validation of meter data, profiling and formatting of meter data, and development and submission of Settlement Quality Meter Data to the CAISO in accordance with the requirements of the CAISO Tariff. Metering services provided by NCPA, as contemplated herein, are limited to collecting the processed Settlement Quality Meter Data from and/or through applicable access, as provided by the CAISO (e.g., querying data from the CAISO MRI-S software application), storing such data, and using the data for the

purpose of forecasting and validating CAISO settlement charges and credits attributed to Customer's activities.

1.1.6 Submit regulatory data to appropriate Balancing Authorities by defined deadlines, including Resource Adequacy supply plans and compliance filings.

1.1.7 Develop, submit and management of E-Tags for Customer interchange transactions.

1.1.8 Review, validate, and reconcile CAISO settlement charges and credits for services, file timely disputes and pursuant dispute resolution.

Section 2. CONTROL CENTER SERVICES

2.1 Description of Service. NCPA shall provide control center services ("Control Center Services") for Customer's owned and operated generation facilities (if any) for which NCPA supplies Scheduling Coordination Services. Such duties shall include the following, and are furthermore described in Appendix D of this Agreement:

2.1.1 Monitoring and dispatching of Customer generation facilities.

2.1.2 Management of unplanned outages and system emergencies.

2.1.3 Monitor real time telemetry, data flow and manage system data.

2.1.4 Call-out field and emergency service personnel in response to certain operational conditions.

2.1.5 Operational coordination, communication, monitoring and equipment clearance and switching with Customer's generation facility personnel and Third Parties.

2.1.6 Monitor alarms and operate Customer generation facilities in accordance with Operating Procedures and applicable requirements, including regulatory and/or environmental requirements.

2.1.7 Comply with the Customer Emergency Action Plan ("EAP"), and initiating the EAP as required.

Section 3. PORTFOLIO MANAGEMENT AND OPTIMIZATION SERVICES

3.1 Description of Services. NCPA shall provide portfolio management and optimization services (“Portfolio Management and Optimization Services”) to Customer pursuant to this Agreement. Portfolio Management and Optimization Services include the following duties:

3.1.1 Acting as an Operating Entity on behalf of Customer.

3.1.2 Providing pre-scheduling and real-time optimization services (including development of bidding strategies) for Customer’s loads and resources.

3.1.3 Performing resource planning and optimization on behalf of Customer.

3.1.4 Entering into Balance of Month Transactions for purchasing and selling energy, capacity, transmission capacity, and other related services and products on behalf of Customer.

3.1.5 Monitor and analyze contract requirements, and provide recommendations and other advice to Customer regarding strategies for maximizing the benefits of such contracts.

3.1.6 Coordination of daily and intra-daily operational communications with Customer’s operational counterparts, including coordination with Customer’s meter data management agent.

3.1.7 Performing transactional and bilateral checkouts and settlements for physical and financial energy, and energy related product transactions, and initiating and processing related disputes.

3.1.8 Perform load forecasting and provide accurate real time, hour ahead, day ahead, week ahead, and month ahead load forecasts to Customer.

3.1.9 Provide monthly forecast reconciliation reports comparing forecast to actual electric usage, and update forecasting models, as required, to reduce systematic forecasting errors.

3.1.10 Submit Congestion Revenue Rights nominations and bids, acting as Customer's agent, and provide quarterly effectiveness reports.

Section 4. INFORMATION REQUIREMENTS

4.1 Information Requirements. To enable NCPA to perform the duties associated with Services provided to Customer in accordance with this Agreement, Customer shall timely provide the following information, instructions, and communications to NCPA (as applicable):

4.1.1 Meter Data. Customer shall provide NCPA access to settlement quality meter data from loads and resources scheduled and Bid by NCPA for Customer under this Agreement, and to maintain such meters and metering equipment in accordance with the standards and requirements as set forth in the CAISO Tariff.

4.1.2 Operational Data. Customer shall provide NCPA access to certain real-time operational systems and information (as mutually determined by NCPA and Customer) including, but is not limited to: (i) Supervisory Control and Data Acquisition ("SCADA") systems, (ii) Programmable Logic Controllers ("PLC"), and (iii) Real-time telemetry and recording devices.

4.1.3 Scheduling and Operating Procedures. Customer shall prepare written scheduling procedures ("Scheduling Procedures") and operating procedures ("Operating Procedures") related to Customer loads and generation resources that convey Customer's guidelines for how NCPA is to perform certain Scheduling Services and Control Center Services under this Agreement. Such Scheduling Procedures and Operating Procedures shall be conveyed to NCPA sufficiently in advance of their application so as to reasonably enable NCPA to perform such activities.

Section 5. SUPPLEMENTAL SERVICES IN ACCORDANCE WITH TASK ORDER PROCESS

5.1 Description of Service. NCPA may, at its sole discretion, provide certain technical support services, or other advisory services, to Customer upon mutual written agreement between the Parties ("Supplemental Services"). All requests for Supplemental Services shall be submitted by Customer to NCPA in accordance with the task order process described in Appendix F ("Task Order Process").

5.2 Compensation for Supplemental Services. Costs for NCPA's provision of Supplemental Services shall be charged to Customer on a time and materials basis. Pursuant to Section 7.1 of this Agreement, in consideration of NCPA's provision of Supplemental Services, Customer shall pay NCPA the sum of: (i) an amount equal to the number of hours required to complete each respective task, multiplied by the applicable hourly rate listed in the Supplemental Services Wage Schedule contained in Appendix B, and (ii) out of pocket expenses and the cost of materials. The scope of each Supplemental Service shall be specified in each respective task order ("Task Order Request") developed by the Parties pursuant to the Task Order Process.

Section 6. SERVICE TRANSITION

The Parties acknowledge that prior to the date on which specific Services shall be supplied by NCPA for a specific Customer load and/or generating resource, the Parties may be required perform certain work and other activities to establish and enable the systems and processes that are required to perform Services as of the date on which Services for a specific Customer load and/or generating resource is to commence. Such activities may include establishing common business practices, developing business requirements, establishing connectivity of systems and equipment, coordinated training of staff, and other activities that may be required to enable NCPA to provide, and Customer to receive, Services. During this transition period (the "Transition Period"), the Parties agree to cooperate in good faith to establish and enable the systems and processes that are required to perform Services. All activities to be performed by NCPA during the Transition Period are included as part of the comprehensive Services provided to Customer, pursuant to this Agreement, even though such

work and activities may be performed by NCPA prior to the date on which specific Services shall be supplied by NCPA for a specific Customer generating resource.

APPENDIX B

COMPENSATION SCHEDULE

Pursuant to Section 7.1 of this Agreement, Customer shall pay NCPA the amounts listed in this Appendix B (the "Compensation Schedule") in consideration for Services provided under this Agreement.

Section 1. COMPENSATION SCHEDULE

1.1 In consideration for NCPA's provision of all Services, except Supplemental Services, Customer shall pay NCPA an amount equal to Four Hundred Twenty Five Thousand Dollars (\$425,000.00) for Services rendered during the first one (1) year period in which NCPA is supplying Services to Customer; more specifically, the first one (1) year period shall begin on January 1, 2018, and shall continue through December 31, 2018. If the date on which NCPA begins supplying Scheduling Services to Customer occurs after January 1, 2018, the compensation amount listed herein for the first one (1) year period shall be prorated based on the actual date on which NCPA begins supplying Scheduling Services to Customer (e.g., if NCPA begins supply Scheduling Services to Customer on February 1, 2018, the compensation amount listed herein for the first one (1) year period shall be equal to \$425,000.00 multiplied by 0.917 (or 11/12 of the year)). Furthermore, if the date on which NCPA begins supplying Scheduling Services to Customer occurs after the first (1st) day of a monthly period during the first one (1) year period, the monthly payment made from Customer to NCPA shall be prorated based on the number of Calendar Days during such month.

1.2 For each subsequent one (1) year period of the term of this Agreement, Customer shall pay NCPA an amount equal to: (i) the sum of the annual amount charged to Customer during the prior year escalated at a rate of two percent (2%) per year. For the purpose of clarity, for the one (1) year period immediately following the first one (1) period, the amount of compensation used to perform the calculation described in Section 1.2 of Appendix B shall be \$425,000.00, even if such amount is prorated during the first one (1) year period, as further described in Section 1.1 of Appendix B.

1.3 Such annual amounts shall be billed to Customer in twelve (12) equal monthly installments, in accordance with Section 8 of this Agreement.

Section 2. SUPPLEMENTAL SERVICES

2.1 Pursuant to Section 5 of Appendix A, NCPA may provide Supplemental Services to Customer. All costs charged to Customer for Supplemental Services are separate from and in addition to the compensation paid for all other Services, as set forth in Section 1 of this Appendix B. The following is the hourly rate schedule applicable to Supplemental Services (“Supplemental Services Wage Schedule”):

SUPPLEMENTAL SERVICES WAGE SCHEDULE

CY 2016

Job Classification	Hourly Rate (\$/Hr.)
Accountant/Analyst I-III	\$ 150.00
Administrative Assistant I-III	\$ 90.00
Assistant General Manager	\$ 300.00
Computer Tech Analyst I-IV	\$ 170.00
Sr. Computer Tech Analyst	\$ 180.00
Risk Manager	\$ 180.00
Compliance Manager	\$ 230.00
Engineer/Energy Resource Analyst I-IV	\$ 180.00
Mgr. Information Svcs. and Power Settlements	\$ 240.00
Power Settlements Analyst	\$ 160.00
Power Settlements Manager	\$ 210.00
Scheduler/Planner	\$ 180.00
Supervisor I-III	\$ 230.00

This wage schedule may be amended from time to time by NCPA as its costs of labor increase, and may add, subtract or amend job classification titles (and their respective hourly rates) as its job classification schedule is amended. NCPA shall provide written notice to Customer of any such amendment prior to charging any increased rate.

APPENDIX C

SCHEDULING PROCEDURES

The Scheduling Procedures are separately attached to this Agreement as Appendix C.

RESERVED FOR ATTACHMENT OF SCHEDULING PROCEDURES

APPENDIX D

OPERATING PROCEDURES

The Operating Procedures are separately attached to this Agreement as Appendix D.

RESERVED FOR ATTACHMENT OF OPERATING PROCEDURES

APPENDIX E

CUSTOMER RESOURCES

The following is a list of Customer's resource for which NCPA provides Services pursuant to this Agreement.

NONE

APPENDIX F

TASK ORDER PROCESS

Pursuant to Section 5 of Appendix A, NCPA may, at its sole discretion, provide certain Supplemental Services to Customer. All requests for Supplemental Services shall be submitted by Customer to NCPA in accordance with the Task Order Process described in this Appendix F.

Section 1. Task Order Process

1.1 Submission of a Task Order. Customer may submit a Task Order Request for Supplemental Services to NCPA in accordance with the terms and conditions of this Agreement. All Supplemental Services requests shall be submitted to NCPA in writing using the task order request form attached to this Appendix F (“Task Order Request Form”). In the Task Order Request Form, Customer shall provide a description of the desired Supplemental Services, a time frame on which Customer is seeking such Supplemental Services to be completed, and all other relevant details that may assist NCPA’s review and consideration of the Task Order Request.

1.2 Review of Task Order Request. Once NCPA receives a Task Order Request from Customer, NCPA will review the Customer’s request to determine if NCPA can perform the desired work. Once NCPA has completed its review of the Task Order Request, NCPA will provide a written response to Customer to confirm that NCPA is either: (i) able and willing to perform the Supplemental Services as requested, or (ii) not able or not willing to perform the Supplemental Services as requested. If NCPA is able and willing to perform the Supplemental Services as requested, NCPA will provide a written proposal for NCPA’s provision of the requested Supplemental Services to Customer, including a detailed project scope and estimated cost for performing the desired work (“Supplemental Services Task Order”).

1.3 Task Order Confirmation. Upon receipt of the Supplemental Services Task Order, if any, Customer may agree to accept or not accept NCPA’s proposal to supply Supplemental Services. If Customer agrees to accept NCPA’s proposal to supply Supplemental Services, upon mutual written consent of the Designated Representatives of each Party, the Parties shall

confirm the terms and conditions of the Supplemental Services by executing the Supplemental Services Task Order. NCPA shall invoice Customer for the full estimated cost of the Supplemental Services, as set forth in the Supplemental Services Task Order, prior to NCPA's provision of the Supplemental Services to Customer. Such amounts shall be billed to Customer in accordance with Section 8 of this Agreement.

1.4 Billing Adjustments. Upon completion of the Supplemental Services, NCPA shall provide a final written accounting for all actual costs associated with NCPA's provision of the Supplemental Services to Customer, and shall either: (i) refund any positive difference between estimated costs and actual costs, or (ii) invoice Customer for the amount of actual costs that are greater than the amount of estimated costs collected from Customer ("Adjustment Amount"). Any Adjustment Amount shall be billed to Customer in accordance with Section 8 of this Agreement.

1.5 Disputes. Any disputes associated with NCPA's provision of Supplemental Services to Customer shall be resolved under the dispute resolution procedures set forth in Section 13 of this Agreement.

