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# Minutes - DRAFT

**To:** NCPA Commission

**From:** Cary A. Padgett, Assistant Secretary to the Commission

**Subject:** July 26, 2018, NCPA Commission Meeting

1. ***Call Meeting to Order and Introductions***

Vice Chair Roger Frith called the meeting to order at 9:02 am at Ironstone Vineyards, 1874 Six Mile Road, Murphys, California. A quorum was present. Introductions were made. Those in attendance are shown on the attached attendance list.

2. ***Approve Minutes of the June 28, 2018, Regular Commission Meeting***

Motion: A motion was made by Teresa O'Neill and seconded by Mark Chandler to approve the Minutes of the June 28, 2018, Regular Commission Meeting. The motion carried unanimously on a voice vote of those members present.

**PUBLIC FORUM**

Vice Chair Roger Frith 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**

3. ***General Manager's Business Progress Report and Update***

General Manager Randy Howard reported:

- Thanked NCPA's Hydro staff for their efforts and time in putting together a great tour of the hydro project for NCPA Members and staff.
- The Agency has recorded its highest net income ever this week due to the extremely hot temperatures.
- Hometown Connections, Inc. (HCI) Update: A working group is in the process of finalizing new policies and procedures for HCI. The group is planning to take the documents to the HCI Board for approval at the next Board meeting.
- NCPA's Annual Internship Tour was held earlier this month. NCPA and Member interns participated in a two-day tour of NCPA facilities that highlighted the Lodi Energy Center and the Hydroelectric Project. Had a great turnout of Member interns.

- Gave a brief update on the State Legislative Staff Tour that took place earlier in the week. Thanked those Members that hosted the tour and those Members that were able to participant on the tour briefing panel discussion.
- Gave an update on NCPA's Support and Shared Services Agreements and provided a copy of the monthly status report.
- A special Capital Day may be scheduled with CMUA and SCPPA sometime next week – NCPA Staff will provide Members the detailed information once it's available.
- Western's Sierra-Nevada Regional Manager Subhash Paluru resigned. An Interim manager has been appointed.

4. ***Executive Committee***

Committee Vice Chair Roger Frith reported that the Committee met once since the last Commission meeting. The Committee heard reports from the General Manager and General Counsel and met in closed session to discuss four closed session items. No reportable action was take on the closed session items.

5. ***Facilities Committee***

Assistant General Manager Tony Zimmer reported the Committee met once since the last Commission meeting. The Committee met and discussed items 13, 14, 15, 17, 18, and 20 on today's Agenda. The Committee recommended Commission approval of all items.

6. ***Finance Committee***

Committee Chair David Hagele reported the Committee did not meet since the last Commission meeting. The next regular meeting will be held on August 14 at NCPA's Roseville office.

7. ***Legal Committee***

General Counsel Jane Luckhardt reported that the Committee did not meet since the last Commission meeting.

8. ***Legislative & Regulatory Affairs Committee***

Committee Chair Teresa O'Neill reported the Committee did not meet since the last Commission meeting. Chair O'Neill gave an update on NCPA's State Legislative Staff Tour that was held earlier this week. The tour visited the City of Lodi, the Lodi Energy Center and NCPA's hydroelectric facility. Chair O'Neill thanked those members that help make the tour successful. NCPA's Annual Conference is scheduled for September 25-28 at the Hyatt Regency Monterey. Online registration is open and available at www.ncpa.com. The next Committee meeting will be held on August 22 at NCPA's Roseville office.

9. ***Members' Announcements & Meeting Reporting***

Greg Scharff, **Palo Alto**, read the story for this month's 50th Anniversary commemorative pin that was provided to the Commission. This month's pin highlighted the Hydroelectric Project.

Steve Hollabaugh, **Truckee Donner**, announced that this meeting will be his last Commission meeting and Joe Horvath will be represent Truckee Donner as an Alternate Commissioner.

Roger Frith, **Biggs**, mentioned that Biggs held their annual member visit with NCPA's Management team and thanked the team for visiting Biggs.

Jerry Serventi, **Alameda**, announced that he was appointed AMPs Board to represent Alameda on NCPA's Commission.

## CONSENT CALENDAR

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

NCPA staff pulled Item 16 from the Consent Calendar. This item will be calendared for next month's Commission meeting.

Motion: A motion was made by Mark Chandler and seconded by Steve Hollabaugh to approve the Consent Calendar consisting of Items 10, 11, 12, 13, 14, 15, 17, 18, and 19. The motion carried by a majority of those members present on a roll call vote with the abstentions noted below for each item. *San Francisco BART, Gridley, Plumas-Sierra, and the Port of Oakland were absent.*

10. ***NCPA's Financials for the Months Ended June 30, 2018*** – approval by all members.

11. ***Treasurer's Report for the Months Ended June 30, 2018*** – accept by all members.

12. ***Sale or Disposal of Surplus Property*** – note and file report by all members for the disposal of 2 Rochester Instrument System (RIS) temperature monitors.
**Fiscal Impact**: This report has no direct fiscal impact to the Agency.

13. ***Resolution 18-49, Industrial Air Flow Dynamics, Inc. – Five Year Multi-Task General Services Agreement for expansion joints, penetration seals and HRSG related maintenance services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members*** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Industrial Air Flow Dynamics, Inc., for expansion joints, penetration seals and HRSG related maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $4,000,000.00 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 $4,000,000.00 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.

14. ***Resolution 18-50, Dynamic Ratings, Inc. – Five Year Multi-Task Professional Services Agreement for instrument and predictive maintenance services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members*** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Dynamic Ratings, Inc., for instrument and predictive maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $500,000 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.
**Fiscal Impact**: 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 this Agreement will be issued following NCPA procurement policies and procedures.

15. ***Resolution 18-51, Western Area Power Administration (WAPA) – Extension of existing contract for maintenance services for an additional five years; Applicable to the following projects: All NCPA Facility Locations*** – adopt resolution by all members authorizing the General Manager or his designee to extend an existing Contract for Maintenance Services with Western Area Power Administration for transmission line, transformer and substation service maintenance, as approved by the NCPA General Counsel, which shall not exceed $1,000,000 over five years for use at all facilities owned and/or operated by NCPA.

    **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.
    *Redding and Shasta Lake abstained.*

***Item 16 was pulled from the Agenda. No discussion or action was taken on this item.***

16. ***Resolution 18-52, Stanislaus Weather Modification Program – Addendum to the CEQA Initial Study and Negative Declaration (IS/ND) and Proposal for Extension of Program. Applicable to NCPA Hydroelectric Facility*** – adopt resolution by all members the Addendum to the CEQA Initial Study and Negative Declaration (IS/ND) and authorize the General Manager or his designee to enter into one or more contracts as approved by the NCPA General Counsel, and to issue purchase orders, for a total not-to-exceed amount of $1,800,000 over five (5) years for the Stanislaus Weather Modification Program.
    **Fiscal Impact**: Total cost of the program for a five (5)-year period is not-to-exceed $1,800,000. Based on unit / quantity assumptions provided to contractors, the price proposal recommended for acceptance is for ($274,793) for the winter period beginning November 1, 2018 through April 30, 2019. Additional costs could be incurred if services are requested for an additional month (through May 2019), or if actual costs (airplane flight time and consumables) are more than anticipated. The proposal also includes options for NCPA to receive services (if requested), for the next four (4) subsequent winters, at an estimated base cost per year as follows:

| | Base Cost |
|---|---|
| Winter 2019-2020 | $291,637 |
| Winter 2020-2021 | $301,399 |
| Winter 2021-2022 | $311,979 |
| Winter 2022-2023 | $322,956 |

    Annual costs could be greater (up to $1,800,000 over five years) if NCPA extends the duration or increases the intensity of the effort. $270,000 was included in the fiscal year 2018-19 Hydro budget for this purpose, with an additional $50,000 allocated for the water-for-power program. Purchase orders associated with agreements executed for this program will utilize approved Hydroelectric budget funds.

    Scientific experts in the field of weather modification estimate the snow pack can be increased from two to more than ten percent by a well-managed weather modification program. An increase of 2% would result in approximately ten thousand (10,000) MWh per year for the NCPA Hydroelectric Project during an average snow pack year. The value of an additional 10,000 MWh's for 2019 is on the order of $375,000 (assuming a weighted price of $37.50 / MWh). Cost allocation will be based on project participation percentages.

17. ***Resolution 18-55, Tetra Engineering Group, Inc. – Five Year Multi-Task Professional Services Agreement for inspections related to HRSG, power piping, steam plant assessments, root cause failures and consulting engineering; 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 Tetra Engineering Group, Inc., for inspections related to HRSG, power piping, steam plant assessments, root cause failures and consulting engineering, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $1,000,000.00 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 $1,000,000.00 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.

18. ***Resolution 18-56, Pengo Wireline of California, Inc. – Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All NCPA facilities*** – adopt resolution by all members authorizing the General Manger or his designee to enter into a Multi-Task Professional Services Agreement with Pengo Wireline of California Inc., for the deployment of downhole wireline services on wells, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $750,000 over five years, for use at all NCPA facilities.
**Fiscal Impact**: Upon execution, the total cost of the agreement is not to exceed $750,000 to be used out of the NCPA approved budget. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.
*Redding and Shasta Lake abstained.*

19. ***Resolution 18-57, Approve Authorization for the General Manager to enter into a Funding Agreement with the California Municipal Utilities Association and the Southern California Public Power Authority for a total not-to-exceed amount of $827,600, of which NCPA's total not-to-exceed share is $213,309 for the development of a demand side management cost-effectiveness tool and reporting platform*** – adopt resolution by all members authorizing the General Manager to enter into a Funding Agreement with the California Municipal Utilities Association and the Southern California Public Power Authority for a total not-to-exceed amount of $827,600, of which NCPA's total not-to-exceed share is $213,309 for the development of a demand side management cost-effectiveness tool and reporting platform.
**Fiscal Impact:** Total cost of the project is not to exceed $827,600 over the five-year term of the agreement; NCPA's share of the project is not to exceed $213,309 over the five-year term of the agreement. For the first-year development of the project, NCPA's share of the costs is not to exceed $131,862. This project was included in the current fiscal year budget as a Member Services Project under participant pass through (Energy Efficiency Reporting Tool). Cost allocation per participating utility is based 50 percent on equal shares, and 50 percent on a utility's proportion of all POU retail sales in 2016. Cost allocation amongst NCPA, SCPPA, and CMUA is based on the cumulative total of each organization's member utilities participating in the project.

## DISCUSSION / ACTION ITEMS

20. ***Resolution 18-53, Public Works Contract with Northwest Paving, Inc. for 2018 NCPA Geothermal Facility Road Repairs; Applicable to the following project: NCPA Geothermal Facilities*** – adopt resolution by all members authorizing the General Manager to enter into a Public Works Agreement with Northwest Paving, Inc., for road repairs at the NCPA Geothermal Facility, with any non-substantial change recommended and approved by the NCPA General Counsel, and to delegate the General Manager authority to issue purchase orders and change orders for a not-to-exceed amount of $332,000.

**Fiscal Impact**: The cost for the project is $301,327, as specified in the contractor's bid. Contingency funds of $30,673 (approximately 10% of the contractor's bid amount) are further requested to cover possible changes orders, for a total not to exceed amount of $332,000. This project was included in the FY19 budget. Cost allocation will be based on project participation percentages. Purchase orders referencing the terms and conditions of the agreement will be issued consistent with NCPA procurement policies and procedures.

The cost to repair the main road to NCPA's main gate will be shared between NCPA and Calpine via a standing Operational Agreement. This agreement states that NCPA is responsible for 60% of road maintenance costs on this specific stretch of road, while Calpine is responsible for the other 40%. The estimated cost for repairs to the main road is $248,277. Calpine will reimburse NCPA for a total of $99,310.80, or 40% of these costs. NCPA will pay the remaining 60%, or $148,966.20, plus an additional $53,050 for widening the entrance to Plant #1.

Assistant General Manager Ken Speer explained the contract with Northwest Paving for 2018 road repairs at NCPA's Geothermal Facility.

Motion: A motion was made Mark Chandler and seconded by Teresa O'Neill to adopt resolution authorizing the General Manager to enter into a Public Works Agreement with Northwest Paving, Inc., for road repairs at the NCPA Geothermal Facility, with any non-substantial change recommended and approved by the NCPA General Counsel, and to delegate the General Manager authority to issue purchase orders and change orders for a not-to-exceed amount of $332,000.
The motion carried by a majority on a roll call vote of those members present.
*San Francisco BART, Gridley, Plumas-Sierra, and the Port of Oakland were absent.*
*Redding and Shasta Lake abstained.*

21. ***Resolution 18-58, Approval of Resolution Commending Stephen Hollabaugh*** – adopt resolution by all members commending Stephen Hollabaugh.

Vice Chair Roger Frith read and presented a resolution expressing appreciation for Steve Hollabaugh's dedication to NCPA.

Motion: A motion was made by Greg Scharff and seconded by Teresa O'Neill to adopt resolution 18-58, Commending Stephen Hollabaugh. The motion carried by a majority on a voice vote of those members present.

22. ***Election of Officers and Executive Committee Members*** – election of a chairman and vice chair of the Commission and election of four (4) at large representatives to the Executive Committee. The Nominating Committee nominations for the 2019 Officers and Executive Committee members are:

| | |
|---|---|
| Chairman | Roger Frith |
| Vice Chair | Teresa O'Neill |
| Executive Committee member | Mark Chandler |
| Executive Committee member | David Hagele |
| Executive Committee member | Bob Lingl |
| Executive Committee member | Greg Scharff |

Vice Chair Roger Frith reported that the NCPA Nominating Committee, appointed by Chair Lingl consisted of Bob Lingl, Roger Frith and John Roukema, met and recommended Commission approval of the FY 2019 Slate of Officers and at large representatives as noted above. Due to local elections and term limits of several appointed Commissioners, the Committee elected to add a fourth at large representative bringing the Executive Committee membership to 6 members. Vice Chair Frith opened the floor for nominations. No other nominations were given. Officers and at large representatives will take office at the regular scheduled meeting of the Commission in September 2018.

The Committee also discussed and appointed officers to the Legislative and Regulatory Affairs Committee (L&R Affairs Committee) and recommended appointment of Mark Chandler as Chair and Bonnie Gore as Vice Chair. In addition, if the Chair and Vice Chair are not able to attend a meeting, Commissioner Greg Scharff will fill in as Acting Chair. Committee officers will take office at the regular scheduled Committee meeting in September 2018.

In addition, the Committee discussed and voted to reappoint David Hagele as Chair of the NCPA Finance Committee.

Motion: A motion was made by Doug Crane and seconded by Jerry Serventi approving the FY 2019 Slate of Officers and four (4) at large representatives. The motion carried by a majority on a voice vote of those members present.

## CLOSED SESSION

Non-essential Members and NCPA staff left the meeting for Closed Session Item 23 discussion.

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

In compliance with NCPA's Bylaws Section 4(d)(ii), all attendees, except the appointed Commissioner and essential NCPA staff, left the meeting for Closed Session Items 24 and 25 discussion.

24. ***Conference with Labor Negotiators*** pursuant to Government Code Section 54957.6: Agency representatives: General Manager Randy S. Howard, Assistant General Manager Ken Speer, Assistant General Manager/CFO Monty Hanks, and Human Resources Manager Vicki Cichocki. Employee organization: Hydroelectric Employees Association (HEA).

25. ***Conference with Labor Negotiators*** pursuant to Government Code Section 54957.6: Agency representatives: General Manager Randy S. Howard, Assistant General Manager Ken Speer, Assistant General Manager/CFO Monty Hanks, and Human Resources Manager Vicki Cichocki. Employee organization: IBEW 1245 (Geothermal and Combustion Turbines).

## 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 23, 24 and 25.

## NEW BUSINESS

No new business was discussed.

## ADJOURNMENT

The July 26, 2018, Commission meeting was adjourned at 10:31 am.

Respectfully submitted,

CARY A. PADGETT
Assistant Secretary to the Commission

Attachments

**Northern California Power Agency**
**Commission Meeting of July 26, 2018**
# COMMISSIONER
**Attendance List**

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

| MEMBER | NAME |
|---|---|
| ALAMEDA | * [illegible] |
| BIGGS | [illegible] |
| GRIDLEY | |
| HEALDSBURG | [illegible] |
| LODI | Mark Chandler |
| LOMPOC | Tikan [illegible] |
| PALO ALTO | [illegible] |
| PORT OF OAKLAND | |
| PLUMAS-SIERRA REC | |
| REDDING | Kristen Schreder |
| ROSEVILLE | [illegible] |
| SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT (BART) | |
| SANTA CLARA | Teresa O'neill |
| SHASTA LAKE | Samson Tallman |
| TRUCKEE DONNER | Stephen Hollabaugh |
| UKIAH | Douglas F Crane |

**Northern California Power Agency**
**Commission Meeting of July 26, 2018**
**Attendance List**

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

| NAME | AFFILIATION |
|---|---|
| Roger Frith | Biggs |
| Randy Howard | NCPA |
| Kathleen Hughes | SVP |
| James Takehara | Shasta Lake |
| Steve Schwabauer | Lodi |
| Liz Kirkley | Lodi |
| Vicki Ochocki | NCPA |
| Jane Cirrincione | NCPA |
| Michelle Bertolino | Roseville |
| Mel Gagnadi | Ukiah |
| Ken Speer | NCPA |
| *Jerry Serventi | Alameda |
| Randy Bowersox | NCPA |
| Monty Hanks | NCPA |
| Tony Zimmer | NCPA |
| Stephen Hollabaugh | TDPUD |
| Jane Luckhardt | NCPA |
| Cary Padgett | NCPA |
| Vidhi | Alameda |
| | |
| | |
| | |
| | |

# 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: July 20, 2018

Consent Items Listed on the Agenda: #10 to #19

Consent Items Removed from the Agenda and Approved Separately:

#_____ 16

**ROLL-CALL VOTE BY MEMBERS:** Lodi / Truckee

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

ATTEST: _____
Cary A. Padgett
Assistant Secretary to the Commission

**Northern California Power Agency**
**ROLL CALL VOTE**

**Topic:** Resolution 18-53

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

Passed and adopted this 26th day of July 2018, by the above vote on roll call.

ROGER FRITH
Commission Vice Chair

ATTEST:
CARY A. PADGETT
Assistant Secretary

**Northern California Power Agency**
**ROLL CALL VOTE**

**Topic:** Election of officers #22

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

Passed and adopted this 26th day of July 2018, by the above vote on roll call.

ROGER FRITH
Commission Vice Chair

ATTEST:

CARY A. PADGETT
Assistant Secretary

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# Commission Staff Report

AGENDA ITEM NO.: 5

**Date:** August 23, 2018

**To:** NCPA Commission

**Subject:** August 1, 2018 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

**Date:** August 2, 2018

**To:** NCPA Facilities Committee

**From:** Michelle Schellentrager

**Subject:** August 1st, 2018 Facilities Committee Meeting Minutes

1. **Call meeting to order & Roll Call -** The meeting was called to order by Committee Chair Mike Brozo at 9:04 am. 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), Tikan Singh (Lompoc), Shiva Swaminathan (Palo Alto), Basil Wong and Jared Carpenter (Port of Oakland), Steve Hance (Santa Clara), and Willie Manuel (TID). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Truckee-Donner, and Ukiah were absent. A quorum of the Committee was established.

**PUBLIC FORUM**
No public comment.

2. **Approve minutes from the July 5, 2018 Facilities Committee meetings.** A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending approval of the July 5, 2018 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

3. **All Generation Services Facilities, Members, SCPPA – Eaton Corporation MTGSA** – Staff presented background information on the Multi-Task General Services Agreement with Eaton Corporation for electrical services. This agreement will have a not to exceed amount of $2,000,000, and will be for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available to review.

   Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Eaton Corporation for electrical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, with a not to

exceed amount of $2,000,000, 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, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

4. **All Generation Services Facilities, Members, SCPPA – Montrose Air Quality Services, LLC MTGSA** – Staff presented background information on the Multi-Task General Services Agreement with Montrose Air Quality Services, LLC for rata, source and emissions testing. This agreement has a not to exceed amount of $250,000, and will be for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available to review.

   Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Montrose Air Quality Services, LLC, for rata, source and emissions testing, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $250,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

5. **All Generation Services Facilities, Members, SCPPA – Titan Crane & Rigging, Inc. MTGSA** – Staff presented background information on the Multi-Task General Services Agreement with Titan Crane & Rigging, Inc. for trucking and crane services. This agreement has a not to exceed amount of $500,000, and will be for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. Mike DeBortoli noted that NCPA has multiple enabling agreements in place for crane work, which is critical because of the difficulty in booking crane services during peak season. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available to review.

   Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Titan Crane & Rigging, Inc. for trucking and crane services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $500,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion (passed).

6. **All Generation Services Facilities, Members, SCPPA – Danick Mechanical, Inc. MTGSA** – Staff presented background information on the Multi-Task General Services Agreement with Danick Mechanical, Inc. for T&M mechanical maintenance services. This agreement has a not to exceed amount of $1,000,000, and will be for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available to review.

   Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending

Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Danick Mechanical, Inc. for T&M mechanical maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $1,000,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland, and TID. The motion passed.

7. **All Generation Services Facilities, Members, SCPPA – KW Emerson, Inc. MTGSA** – Staff presented background information on the Multi-Task General Services Agreement with KW Emerson, Inc. for maintenance services, including earthwork, asphalt patching, utility easement work, and minor road and tunnel maintenance. This agreement has a not to exceed amount of $1,000,000, and will be for use at all facilities owned and/or operated by NCPA, with exception of NCPA's Lodi Energy Center. It will also be available to NCPA Members, SCPPA, and SCPPA Members. The exclusion of Lodi Energy Center is due to the fact that the vendor has declined to sign Exhibit E (Agreement to be bound to the LEC Maintenance Labor Agreement). It was noted that the Commission Staff Report and Resolution should be updated to reflect the exclusion of LEC. This is an enabling agreement with no commitment of funds. A draft Staff Report and the draft agreement were available to review.

   Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with KW Emerson, 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 $1,000,000.00, for use at all facilities owned and/or operated by NCPA, with the exception of the Lodi Energy Center, 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. ABSTAIN = Port of Oakland, and TID. The motion passed.

8. **NCPA Geothermal Facility – Gifford's Backhoe Services, Inc. MTGSA** – Staff presented background information on the Multi-Task General Services Agreement with Gifford's Backhoe Services, Inc. for maintenance labor services and equipment rental. This agreement has a not to exceed amount of $1,000,000.00, and will be for use at NCPA's Geothermal facility only. There was a brief discussion amongst the Committee regarding enabling agreements and how they function. Staff explained that the terms of all of NCPA's enabling agreements are similar, and that all of these jobs are put out to bid by multiple qualified vendors as work is needed. This is an enabling agreement with no commitment of funds. A draft Staff Report and the draft agreement were available to review.

   Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or designee to enter into a Multi-Task General Services Agreement with Gifford's Backhoe Services, Inc. for maintenance labor services and equipment rental including equipment related drilling operations services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $1,000,000.00, for use at NCPA's Geothermal Geyser's facility. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Plumas-Sierra, Roseville, Santa Clara, and TID. ABSTAIN = Palo Alto, Port of Oakland. The motion passed.

9. **NCPA Generation Services Plant Updates –** NCPA Generation Services staff provided the Committee with informational updates on current plant activities and conditions.

**Heatwave** – Staff presented a chart which outlined the energy demand on the hottest day of the recent heatwave (Tuesday, July 24th). Total peak demand on that day was approximately 46,000 MW. Staff also shared the impacts of the heat wave on energy prices, which peaked at $900/MWh. Of all of NCPA's generation plants, LEC and Hydro saw the greatest increase in margins.

Shiva Swaminathan asked when Western stopped delivery (as a result of the wildfires). Staff explained that Western stopped delivery on Thursday night, with the initial d-rate being partial. After midnight on Thursday night, all of Base Resource schedules were cut. The pool was over supplied at the time, so the impact was limited, although staff did have to complete some supplemental procurement to fill gaps during the evening ramp. Real time prices have been stable, in large part due to the CAISO over forecasting demand in the day-ahead market. CAISO's recent calls for flex alerts has also contributed to lower demand on the system in real-time.

**Geothermal Status Update** – Marty Lebrett gave the Committee an update on the impacts that the Mendocino Complex fire was having on NCPA's Geo facility. While the plant itself is not in any immediate danger, it has impacted some of the Geo employees who live in areas under evacuation orders. Geo is currently running with a slightly reduced staff as a result.

Marty also shared the generation level forecast for the year. There has been a dip due to the recent fires and a PG&E maintenance project (replacement of some transmission lines back in May) which resulted in the unit being taken out of service. Current and upcoming projects at the Geo facility were reviewed with the Committee.

**CT1 Status Update** – Mike DeBortoli shared an update on CT1 project. He outlined some of the recent issues with the units, and outlined some of the troubleshooting that staff had to complete in order to correct the problems. Mike explained that the units are very well-maintained, so there was no real early indicator of these issues. Most issues are just a result of general wear and tear on parts, and replacement or upgrade of these parts being deferred.

**Hydro Status Update** – Randy Bowersox presented an update on the Hydro plant. New Spicer Meadows releases continued at a relative high level in the month of July, with the level of storage going down by about 6"/day. NSM Unit 3 was out for a little over 2 weeks for maintenance. The unit was completely disassembled and then cleaned and inspected. This maintenance is completed roughly every 10 years.

Randy reviewed upcoming projects for the Hydro facility. The largest upcoming project is the Collierville Unit 2 Generator Rewind. Staff hope to start this outage on September 5th and hope to have all work completed by the end of December. There was a discussion regarding the possibility of delaying the project if energy prices continue to stay high in September. Staff explained that this work includes mobilization of a crew from Austria, and any delay would likely mean NCPA could not reschedule the work for at least 1 year (as this company is booked up well in advance). There was a brief discussion of potential CAISO impacts on this project. Randy Howard recommended that NCPA staff coordinate with Facilities Committee members to schedule a tour while Unit 2 is disassembled.

**NCPA Solar Project Update** – Ron Yuen gave an update on the status of the NCPA Solar Project. Phase 1 of the project has been completed. Phase 2 is currently underway. This phase includes site viability screening and preliminary development. Ron reviewed each of the current project participants, and shared information on the potential solar site(s) each participant is exploring. Ron noted that Lompoc was no longer able to pursue the site they had originally selected, as the site they were targeting was taken off the market, but that they had expressed interest in joining another participant's site if any of them might have room for some extra capacity. There was a discussion among the Committee as to whether these projects would become MSS resource upon completion. There was also a discussion around how these resources would be operated.

10. **NCPA Wildfire Mitigation Plan** – Ron presented the Committee with background on the Public Utilities Code, Division 4.1, Chapter 6, under which this wildfire mitigation plan became necessary. Under this code, all utilities must have a plan in place. Ron reviewed the plan requirements as outlined in the Public Utilities Code. NCPA has determined that the Geothermal and Hydro plants are the highest risk sites, based on the fire risk zones identified in the CPUC Fire Threat Map. It was noted that the agreement may have to be analyzed and updated, based on new standards. Ron reviewed the mitigation measurements currently in place; most have been in place for some time.

    It may be necessary to bring in assistance from a third party that has already implemented a Wildfire Mitigation Plan, to assist NCPA and ensure that we are adhering to new standards; of particular concern were the new GO 95 standards. There was some debate by the Committee as to whether approval should be deferred until next month. Ultimately, it was decided that it would be prudent to approve the current plan, so that NCPA has something in place, with the understanding that it will likely need to be amended and re-approved.

    Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending Commission approval of the NCPA Wildfire Mitigation Plan, to be applied at all NCPA owned/operated facilities, and to be updated as needed by the NCPA Commission. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. ABSTAIN = TID. The motion passed.

11. **CDWR WSPP Agreements** – Tony Zimmer provided background on the CDWR WSPP Master Confirmation Agreement. NCPA is a WSPP member, and can transact with other WSPP members. CDWR is also a WSPP member, however, NCPA is required to enter into a Master Confirmation Agreement in order to become fully enabled with CDWR under the WSPP. This will allow NCPA to transact with CDWR going forward. The RA market has become more volatile and constrained, and it is becoming increasingly difficult to find additional capacity to purchase. CDWR typically has available significant amounts of capacity that qualify as RA. This agreement will ensure NCPA has access to this supply, if needed.

    This agreement is still in final Legal review, however, staff would prefer to have this in place sooner rather than later, especially in light of the recent fires and the upcoming Collierville outage. Tony outlined some of the unique elements of the agreement. Jane Luckhardt stated that the agreement appears straightforward, but she plans to review it further with HR.

    Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending Commission approval of the CDWR WSPP Master Confirmation and associated materials (the "Contracting Package"), as further described herein, subject to the NCPA General Counsel's review and approval of the Contracting Package. A vote was taken by roll call: YES = Alameda,

Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. ABSTAIN = TID. The motion passed.

12. **CY 2019 NCPA Capacity Pool Rates**– Tony Zimmer provided some background on the NCPA Capacity Pool. The NCPA Capacity Pool enables participants within that program to trade capacity amongst themselves. The price for the capacity rate is determined on a yearly basis. Tony reviewed the historical factors used to determine the rate. The 2018 capacity pool rates were reviewed as well.

    Over the course of the previous year, the Resource Adequacy market was volatile. Some of the contributing factors include the impacts of CCA's forming; these CCA's need capacity, which results in an increase in capacity prices and a decrease in availability. Tony shared with the Committee the proposed calendar year 2019 capacity pool rates.

    Randy Howard asked whether the current annual review schedule still makes sense. Tony said that the possibility of seasonal or quarterly rate evaluations has been discussed by the Pooling Committee, particularly with the recent volatility in the market. The Pooling Committee has opted not to change the current cycle at this time, however, they recognize that the structure may need to be changed in the future. They have also discussed the possibility of flexible capacity being added.

    Motion: A motion was made by Jiayo Chiang and seconded by Bill Forsythe recommending Commission approval establishing the following as the System and Local Resource Adequacy Capacity prices to be used in the CY 2019 NCPA Capacity Pool: System Capacity - $2.75 / kW-Month; Local Capacity - $3.25 / kW-Month. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, and Roseville. ABSTAIN = Santa Clara and TID. The motion passed.

13. **Planning and Operations Update –**

- The City of Redding has executed the Facilities Agreement and will now be joining the Facilities Committee. Meeting materials and contact lists will be updated accordingly.
- A previously-scheduled meeting between NCPA and PG&E staff regarding the Fire Safety Program has been rescheduled due to recent fire activities.
- Staff reviewed the impacts to Members and NCPA staff as a result of the Carr Fire and the Mendocino Complex Fires. Staff also reviewed the impacts to Western Base Resources and the Bureau of Reclamation. NCPA purchased supplemental power to fill gaps in Members' portfolios as a result of base resource delivery being suspended. Individual needs of Members will be discussed in this afternoon's Pooling Committee meeting.
- Staff reviewed the reporting tools available to Members on the NCPA Connect website. Examples of some of the operational reports and graphs available were shown. Members are encouraged to use the tools available on the website.
- The recent spike in gas prices was discussed. Key contributing factors include the recent heat waves, as well as the higher gas rates in southern California. The high gas prices in southern California are due to the ongoing gas storage and transportation issues.
- It was announced that CDWR has notified NCPA that they would like to terminate their share in the Cotenancy Agreement. This agreement was put into place when the Geo units were developed. The Committee discussed the impacts of CDWR opting out of the agreement. Staff will bring this back to the Committee in the coming months.

14. **Schedule next meeting date –** the next regular Facilities Committee meeting is scheduled for September 5, 2018.

## ADJOURNMENT

The meeting was adjourned at 11:50 am.

**Northern California Power Agency**
**August 1, 2018 Facilities Committee Meeting**
**Attendance List**

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

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

**Northern California Power Agency**
**August 1, 2018 Facilities Committee Meeting**
**Attendance List**

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

| NAME | AFFILIATION |
|---|---|
| Michelle Schellentrager | NCPA |
| Mike Brozo | PSREC |
| Anish Nand | NCPA |
| Bill Forsythe | Roseville |
| Brian Zard | Roseville |
| Monty Hanks | NCPA |
| Michael DeBortoli | NCPA |
| Tony Zimmer | NCPA |
| Randy Howard | NCPA |
| Jiayo Chiang | Lodi |
| Ken Speer | NCPA |
| Jane Luckhardt | NCPA |
| RON YUEN | NCPA |
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10

# Commission Staff Report

August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** July 2018 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** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify* _____

_____

**RECOMMENDATION:**

Approval by all members

**NOTICE:**

The disbursements of the Northern California Power Agency for the month reported herein, will be approved at the August 23, 2018 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 July 2018 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)

**SR: 188:18**

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

**Schedule of Disbursements**
**(Unaudited)**

**For the Month of July 2018**

| | | |
|---|---|---|
| **Operations:** | | |
| **Geothermal** | **$** | **1,275,920** |
| **Hydroelectric** | | **4,214,453** |
| **CT#1 Combustion Turbines** | | **188,233** |
| **CT#2 STIG** | | **573,917** |
| **Lodi Energy Center** | | **3,570,935** |
| **NCPA Operating** | | **25,692,365** |
| **Total** | **$** | **35,515,823** |

NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED JULY 31, 2018

| PERCENT OF YEAR ELAPSED |
|---|
| 8% |

| | This Month | Actual Year To-Date | FY 2018 Budget | % Used | |
|---|---|---|---|---|---|
| **GENERATION RESOURCES** | | | | | |
| **NCPA Plants** | | | | | |
| Hydroelectric | | | | | |
| Other Plant Cost | $ 894,273 | $ 894,273 | $ 16,699,691 | 5% | |
| Debt Service (Net) | 2,929,735 | 2,929,735 | 35,156,824 | 8% | |
| Annual Budget Cost | 3,824,008 | 3,824,008 | 51,856,515 | 7% | |
| Geothermal | | | | | |
| Other Plant Cost | 2,156,436 | 2,156,436 | 29,488,515 | 7% | |
| Debt Service (Net) | 411,408 | 411,408 | 4,936,896 | 8% | |
| Annual Budget Cost | 2,567,844 | 2,567,844 | 34,425,411 | 7% | |
| Combustion Turbine No. 1 | 319,522 | 319,522 | 3,805,701 | 8% | |
| Combustion Turbine No. 2 (Stig) | | | | | |
| Fuel and Pipeline Transport Charges | 62,630 | 62,630 | 977,410 | 6% | |
| Other Plant Cost | 150,881 | 150,881 | 2,048,734 | 7% | |
| Debt Service (Net) | 476,392 | 476,392 | 5,716,708 | 8% | |
| Annual Budget Cost | 689,903 | 689,903 | 8,742,852 | 8% | |
| Lodi Energy Center | | | | | |
| Fuel | 4,117,918 | 4,117,918 | 33,092,116 | 12% | (a) |
| Other Plant Cost | 1,812,207 | 1,812,206 | 24,544,632 | 7% | |
| Debt Service (Net) | 2,173,320 | 2,173,321 | 26,079,852 | 8% | |
| Annual Budget Cost | 8,103,445 | 8,103,445 | 83,716,600 | 10% | |
| **Member Resources - Energy** | 6,833,482 | 6,833,482 | 64,448,814 | 11% | |
| **Member Resources - Natural Gas** | 281,604 | 281,604 | 3,098,278 | 9% | |
| **Western Resources** | 1,876,361 | 1,876,361 | 31,349,618 | 6% | |
| **Market Power Purchases** | 1,607,244 | 1,607,244 | 15,539,033 | 10% | |
| **Load Aggregation Costs - CAISO** | 26,356,082 | 26,356,082 | 273,858,269 | 10% | |
| **Net GHG Obligations** | - | - | 1,122,972 | 0% | |
| | **52,459,495** | **52,459,495** | **571,964,063** | **9%** | |
| **TRANSMISSION** | | | | | |
| **Independent System Operator** | | | | | |
| Grid Management Charge | 456,096 | 456,096 | 3,662,271 | 12% | (b) |
| Wheeling Access Charge | 9,141,645 | 9,141,645 | 104,569,875 | 9% | |
| Ancillary Services | 680,303 | 680,303 | 3,040,303 | 22% | (c) |
| Other Charges | - | - | 1,549,274 | 0% | |
| | **10,278,044** | **10,278,044** | **112,821,723** | 9% | |
| **MANAGEMENT SERVICES** | | | | | |
| **Legislative & Regulatory** | | | | | |
| Legislative Representation | 111,854 | 111,854 | 2,023,068 | 6% | |
| Regulatory Representation | 7,168 | 7,168 | 886,616 | 1% | |
| Western Representation | 19,797 | 19,797 | 848,160 | 2% | |
| Member Services | 26,518 | 26,518 | 438,389 | 6% | |
| Judicial Action | 907 | 907 | 625,000 | 0% | |

**NORTHERN CALIFORNIA POWER AGENCY**
**REPORT OF BUDGET VS. ACTUAL COST**
**FOR THE PERIOD ENDED JULY 31, 2018**

| PERCENT OF YEAR ELAPSED |
|---|
| 8% |

| | This Month | Actual Year To-Date | FY 2018 Budget | % Used | |
|---|---|---|---|---|---|
| **Power Management** | | | | | |
| System Control & Load Dispatch | 406,337 | 406,337 | 6,107,416 | 7% | |
| Forecasting, Planning, Prescheduling & Trading | 173,907 | 173,907 | 2,775,167 | 6% | |
| Industry Restructuring & Regulatory Affairs | 23,757 | 23,757 | 438,813 | 5% | |
| Contract Admin, Interconnection Svcs & External Affairs | 60,948 | 60,948 | 1,134,623 | 5% | |
| Green Power Project | 25 | 25 | 2,964 | 1% | |
| Gas Purchase Program | 4,743 | 4,743 | 77,781 | 6% | |
| Market Purchase Project | 6,517 | 6,517 | 112,014 | 6% | |
| **Energy Risk Management** | 13,827 | 13,827 | 259,585 | 5% | |
| **Settlements** | 55,817 | 55,817 | 941,392 | 6% | |
| **Integrated Systems Support** | 37,117 | 37,117 | 272,850 | 14% | (d) |
| **Participant Pass Through Costs** | (135,584) | (135,584) | 1,619,170 | -8% | |
| **Support Services** | 1,881 | 1,881 | - | N/A | |
| | **815,536** | **815,536** | **18,563,008** | **4%** | |
| **TOTAL ANNUAL BUDGET COST** | **63,553,075** | **63,553,075** | **703,348,794** | **9%** | |
| **LESS: THIRD PARTY REVENUE** | | | | | |
| Plant ISO Energy Sales | 21,050,376 | 21,050,376 | 100,456,289 | 21% | (e) |
| Member Resource ISO Energy Sales | 5,502,368 | 5,502,368 | 28,186,777 | 20% | (f) |
| NCPA Contracts ISO Energy Sales | 3,080,178 | 3,080,178 | 14,720,326 | 21% | (f) |
| Western Resource Energy Sales | 5,997,012 | 5,997,012 | 23,182,775 | 26% | (f) |
| Load Aggregation Energy Sales | 12,705,074 | 12,705,074 | 131,328,609 | 10% | |
| Ancillary Services Sales | 558,114 | 558,114 | 4,409,129 | 13% | (g) |
| Transmission Sales | 9,198 | 9,198 | 110,376 | 8% | |
| Western Credits, Interest and Other Income | 2,695,716 | 2,695,716 | 37,414,086 | 7% | |
| | **51,598,036** | **51,598,036** | **339,808,367** | **15%** | |
| **NET ANNUAL BUDGET COST TO PARTICIPANTS** | **$ 11,955,039** | **$ 11,955,039** | **$ 363,540,427** | **3%** | |

(a) Increase in costs due to greater than projected MWhs of generation. LEC is at 120% of budgeted MWhs at 7/31/18.

(b) Increase due to greater than projected MWhs of generation. See note (a).

(c) Increase due to greater than projected MWhs of generation. See note (a).

(d) Increase due to full payment of fiscal year 2019 software support contract. Percent of budget used expected to level throughout the year.

(e) Variance due to higher than anticipated ISO energy sales and higher market prices for the Lodi Energy Center (LEC), CT1, CT2, and Hydro.

(f) Increase due to higher market prices caused by California wildfires.

(g) Increase due to greater than projected MWhs of generation. See notes (a), (b), and (c) and corresponding increase in ancillary services costs.

**COMBINED STATEMENTS OF NET POSITION**

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

**UNAUDITED**

| | July 31, 2018 | July 31, 2017 |
|---|---|---|
| ASSETS | (in thousands) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 20,267 | $ 45,567 |
| Investments | 67,625 | 30,032 |
| Accounts receivable | | |
| Participants | 179 | 2,907 |
| Other | 9,715 | 3,193 |
| Interest receivable | 258 | 114 |
| Inventory and supplies | 9,746 | 9,764 |
| Prepaid expenses | 1,341 | 1,054 |
| TOTAL CURRENT ASSETS | 109,131 | 92,631 |
| RESTRICTED ASSETS | | |
| Cash and cash equivalents | 38,174 | 45,596 |
| Investments | 158,980 | 152,723 |
| Interest receivable | 389 | 342 |
| TOTAL RESTRICTED ASSETS | 197,543 | 198,661 |
| ELECTRIC PLANT | | |
| Electric plant in service | 1,504,636 | 1,501,737 |
| Less: accumulated depreciation | (976,049) | (945,294) |
| | 528,587 | 556,443 |
| Construction work-in-progress | 182 | 821 |
| TOTAL ELECTRIC PLANT | 528,769 | 557,264 |
| OTHER ASSETS | | |
| Regulatory assets | 230,845 | 235,540 |
| Unused vendor credits | - | 233 |
| Preliminary survey and investigation costs | 39 | - |
| Investment in associated companies | 265 | - |
| TOTAL ASSETS | 1,066,592 | 1,084,329 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Excess cost on refunding of debt | 41,086 | 47,407 |
| Pension and OPEB deferrals | 19,200 | 13,506 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 60,286 | 60,913 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 1,126,878 | $ 1,145,242 |

**COMBINED STATEMENTS OF NET POSITION**

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

**UNAUDITED**

| | July 31, 2018 | July 31, 2017 |
|---|---|---|
| LIABILITIES | (in thousands) | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | $ 17,235 | $ 29,841 |
| Accounts and retentions payable - restricted for construction | 50 | - |
| Member advances | 1,077 | 993 |
| Operating reserves | 21,724 | 20,225 |
| Current portion of long-term debt | 31,525 | 41,635 |
| Accrued interest payable | 4,489 | 4,965 |
| TOTAL CURRENT LIABILITIES | 76,100 | 97,659 |
| NON-CURRENT LIABILITIES | | |
| Net pension and OPEB liability | 76,002 | 64,589 |
| Operating reserves and other deposits | 147,052 | 143,062 |
| Interest rate swap liability | 11,109 | 15,173 |
| Long-term debt, net | 679,016 | 709,993 |
| TOTAL NON-CURRENT LIABILITIES | 913,179 | 932,817 |
| TOTAL LIABILITIES | 989,279 | 1,030,476 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Regulatory credits | 70,618 | 72,080 |
| Pension and OPEB deferrals | 3,195 | 4,460 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 73,813 | 76,540 |
| NET POSITION | | |
| Net investment in capital assets | (33,539) | (40,892) |
| Restricted | 32,628 | 36,334 |
| Unrestricted | 64,697 | 42,784 |
| TOTAL NET POSITION | 63,786 | 38,226 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | $ 1,126,878 | $ 1,145,242 |

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

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

**UNAUDITED**

| | One Month Ended July 31, | |
|---|---|---|
| | 2018 | 2017 |
| | (in thousands) | |
| OPERATING REVENUES | | |
| Participants | $ 40,349 | $ 31,951 |
| Other Third-Party | 31,485 | 26,540 |
| TOTAL OPERATING REVENUES | 71,834 | 58,491 |
| OPERATING EXPENSES | | |
| Purchased power | 19,499 | 31,229 |
| Operations | 7,561 | 4,319 |
| Transmission | 14,052 | 10,588 |
| Depreciation | 2,583 | 2,581 |
| Maintenance | 1,326 | 1,009 |
| Administrative and general | 165 | 1,013 |
| TOTAL OPERATING EXPENSES | 45,186 | 50,739 |
| NET OPERATING REVENUES | 26,648 | 7,752 |
| OTHER (EXPENSES) REVENUES | | |
| Interest expense | (3,133) | (3,371) |
| Interest income | 3,827 | 1,781 |
| Other | 426 | 354 |
| TOTAL OTHER EXPENSES | 1,120 | (1,236) |
| FUTURE RECOVERABLE AMOUNTS | (302) | (705) |
| REFUNDS TO PARTICIPANTS | (1,748) | (1,645) |
| INCREASE (DECREASE) IN NET POSITION | 25,718 | 4,166 |
| NET POSITION, Beginning of year | 38,068 | 34,060 |
| NET POSITION, Period ended | $ 63,786 | $ 38,226 |

## OTHER FINANCIAL INFORMATION

## COMBINING STATEMENT OF NET POSITION

## NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

**(000's omitted)**

**July 31, 2018**

| | GENERATING & TRANSMISSION RESOURCES | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | Geothermal | Hydroelectric | Multiple Capital Facilities | CT No. One | Lodi Energy Center | Transmission No. One | Purchased Power & Transmission | Associated Member Services | Other Agency | Combined |
| CURRENT ASSETS | | | | | | | | | | |
| Cash and cash equivalents | $ 1 | $ - | $ 1 | $ 1 | $ 73 | $ - | $ - | $ 688 | $ 19,503 | $ 20,267 |
| Investments | - | - | - | - | - | - | - | - | 67,625 | 67,625 |
| Accounts receivable | | | | | | | | | | |
| Participants | - | - | - | - | - | - | - | 174 | 5 | 179 |
| Other | - | (313) | - | - | - | - | 9,778 | - | 250 | 9,715 |
| Interest receivable | - | - | - | - | - | - | 85 | - | 173 | 258 |
| Inventory and supplies | 4,509 | 1,079 | 642 | 1,405 | 2,111 | - | - | - | - | 9,746 |
| Prepaid expenses | 188 | 286 | 21 | 31 | 207 | - | - | 11 | 597 | 1,341 |
| Due from Agency and other programs* | 19,833 | 13,487 | 3,127 | (364) | 21,560 | - | 9,342 | 15,356 | (82,341) | - |
| TOTAL CURRENT ASSETS | 24,531 | 14,539 | 3,791 | 1,073 | 23,951 | - | 19,205 | 16,229 | 5,812 | 109,131 |
| RESTRICTED ASSETS | | | | | | | | | | |
| Cash and cash equivalents | 5,674 | 6,962 | 2,461 | - | 1,919 | - | 5,774 | - | 15,384 | 38,174 |
| Investments | 20,429 | 29,882 | 3,961 | - | 26,170 | - | 21,548 | - | 56,990 | 158,980 |
| Interest receivable | 54 | 97 | 2 | - | 81 | - | - | - | 155 | 389 |
| TOTAL RESTRICTED ASSETS | 26,157 | 36,941 | 6,424 | - | 28,170 | - | 27,322 | - | 72,529 | 197,543 |
| ELECTRIC PLANT | | | | | | | | | | |
| Electric plant in service | 570,211 | 394,835 | 64,844 | 36,517 | 423,805 | 7,736 | - | 739 | 5,949 | 1,504,636 |
| Less: accumulated depreciation | (535,983) | (263,024) | (48,547) | (34,495) | (82,772) | (7,736) | - | (406) | (3,086) | (976,049) |
| | 34,228 | 131,811 | 16,297 | 2,022 | 341,033 | - | - | 333 | 2,863 | 528,587 |
| Construction work-in-progress | - | - | - | - | 182 | - | - | - | - | 182 |
| TOTAL ELECTRIC PLANT | 34,228 | 131,811 | 16,297 | 2,022 | 341,215 | - | - | 333 | 2,863 | 528,769 |
| OTHER ASSETS | | | | | | | | | | |
| Regulatory assets | 90 | 134,605 | 10,434 | - | 23,924 | - | - | - | 61,792 | 230,845 |
| Preliminary survey and investigation costs | - | - | - | - | - | - | - | 39 | - | 39 |
| Investment in associated companies | - | - | - | - | - | - | - | - | 265 | 265 |
| TOTAL ASSETS | 85,006 | 317,896 | 36,946 | 3,095 | 417,260 | - | 46,527 | 16,601 | 143,261 | 1,066,592 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | |
| Excess cost on refunding of debt | 1,585 | 36,513 | 883 | - | 2,105 | - | - | - | - | 41,086 |
| Pension and OPEB deferrals | - | - | - | - | - | - | - | - | 19,200 | 19,200 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 1,585 | 36,513 | 883 | - | 2,105 | - | - | - | 19,200 | 60,286 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 86,591 | $ 354,409 | $ 37,829 | $ 3,095 | $ 419,365 | $ - | $ 46,527 | $ 16,601 | $ 162,461 | $ 1,126,878 |

* Eliminated in Combination

## OTHER FINANCIAL INFORMATION

## COMBINING STATEMENT OF NET POSITION

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

**July 31, 2018**

| | 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 | $ 237 | $ 253 | $ 1 | $ - | $ 4,626 | $ - | $ 7,192 | $ 67 | $ 4,859 | $ 17,235 |
| Accounts and retentions payable - restricted for construction | - | 10 | - | - | 40 | - | - | - | - | 50 |
| Member advances | 791 | - | - | - | - | - | - | 286 | - | 1,077 |
| Operating reserves | 6,437 | 250 | 513 | 752 | 13,772 | - | - | - | - | 21,724 |
| Current portion of long-term debt | 5,095 | 10,955 | 3,995 | - | 11,480 | - | - | - | - | 31,525 |
| Accrued interest payable | 45 | 1,176 | 838 | - | 2,430 | - | - | - | - | 4,489 |
| TOTAL CURRENT LIABILITIES | 12,605 | 12,644 | 5,347 | 752 | 32,348 | - | 7,192 | 353 | 4,859 | 76,100 |
| NON-CURRENT LIABILITIES | | | | | | | | | | |
| Net pension and OPEB liability | - | - | - | - | - | - | - | - | 76,002 | 76,002 |
| Operating reserves and other deposits | 19,768 | 17,211 | - | - | 1,717 | - | 27,408 | 8,417 | 72,531 | 147,052 |
| Interest rate swap liability | - | 11,109 | - | - | - | - | - | - | - | 11,109 |
| Long-term debt, net | 20,100 | 297,517 | 30,214 | - | 331,185 | - | - | - | - | 679,016 |
| TOTAL NON-CURRENT LIABILITIES | 39,868 | 325,837 | 30,214 | - | 332,902 | - | 27,408 | 8,417 | 148,533 | 913,179 |
| TOTAL LIABILITIES | 52,473 | 338,481 | 35,561 | 752 | 365,250 | - | 34,600 | 8,770 | 153,392 | 989,279 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Regulatory credits | 18,958 | 4,142 | 936 | 2,188 | 40,788 | - | - | 273 | 3,333 | 70,618 |
| Pension and OPEB deferrals | - | - | - | - | - | - | - | - | 3,195 | 3,195 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 18,958 | 4,142 | 936 | 2,188 | 40,788 | - | - | 273 | 6,528 | 73,813 |
| NET POSITION | | | | | | | | | | |
| Net investment in capital assets | (2,618) | (16,064) | (7,485) | - | (13,841) | - | - | - | 6,469 | (33,539) |
| Restricted | 5,455 | 14,443 | 5,585 | - | 14,423 | - | - | (7,278) | - | 32,628 |
| Unrestricted | 12,323 | 13,407 | 3,232 | 155 | 12,745 | - | 11,927 | 14,836 | (3,928) | 64,697 |
| TOTAL NET POSITION | 15,160 | 11,786 | 1,332 | 155 | 13,327 | - | 11,927 | 7,558 | 2,541 | 63,786 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | $ 86,591 | $ 354,409 | $ 37,829 | $ 3,095 | $ 419,365 | $ - | $ 46,527 | $ 16,601 | $ 162,461 | $ 1,126,878 |

## 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 One Month Ended July 31, 2018**

| | GENERATING & TRANSMISSION RESOURCES | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Geothermal | Hydroelectric | Multiple Capital Facilities | CT No. One | Lodi Energy Center | Transmission | Purchased Power & Transmission | Associated Member Services | Other Agency | Combined |
| OPERATING REVENUES | | | | | | | | | | |
| Participants | $ 1,178 | $ 2,727 | $ 522 | $ 416 | $ 7,049 | $ - | $ 26,776 | $ 1,672 | $ 9 | $ 40,349 |
| Other Third-Party | 4,119 | 5,343 | 855 | 604 | 10,696 | - | 10,028 | (160) | - | 31,485 |
| TOTAL OPERATING REVENUES | 5,297 | 8,070 | 1,377 | 1,020 | 17,745 | | 36,804 | 1,512 | 9 | 71,834 |
| OPERATING EXPENSES | | | | | | | | | | |
| Purchased power | 38 | 454 | (10) | 30 | 238 | - | 18,749 | - | - | 19,499 |
| Operations | 1,027 | 257 | 131 | 123 | 5,124 | - | 282 | 617 | - | 7,561 |
| Transmission | 42 | 96 | (3) | (9) | 73 | - | 13,853 | - | - | 14,052 |
| Depreciation | 329 | 798 | 184 | 16 | 1,219 | - | - | 8 | 29 | 2,583 |
| Maintenance | 642 | 246 | 51 | 106 | 277 | - | - | 4 | - | 1,326 |
| Administrative and general | 454 | 122 | 41 | 63 | 370 | - | - | 185 | (1,070) | 165 |
| Intercompany (sales) purchases, net* | (47) | 19 | 4 | 7 | 21 | - | - | (4) | - | - |
| TOTAL OPERATING EXPENSES | 2,485 | 1,992 | 398 | 336 | 7,322 | - | 32,884 | 810 | (1,041) | 45,186 |
| NET OPERATING REVENUES | 2,812 | 6,078 | 979 | 684 | 10,423 | - | 3,920 | 702 | 1,050 | 26,648 |
| OTHER (EXPENSES) REVENUES | | | | | | | | | | |
| Interest expense | (44) | (1,735) | (124) | - | (1,230) | - | - | - | - | (3,133) |
| Interest income | 360 | 381 | 37 | - | 576 | - | 265 | 8 | 2,200 | 3,827 |
| Other | - | - | 196 | - | 179 | - | - | - | 51 | 426 |
| TOTAL OTHER EXPENSES | 316 | (1,354) | 109 | - | (475) | - | 265 | 8 | 2,251 | 1,120 |
| FUTURE RECOVERABLE AMOUNTS | (127) | (136) | (174) | - | 135 | - | - | - | - | (302) |
| REFUNDS TO PARTICIPANTS | 235 | (189) | 9 | 97 | - | - | (354) | 51 | (1,597) | (1,748) |
| INCREASE (DECREASE) IN NET POSITION | 3,236 | 4,399 | 923 | 781 | 10,083 | - | 3,831 | 761 | 1,704 | 25,718 |
| NET POSITION, Beginning of year | 11,924 | 7,387 | 409 | (626) | 3,244 | - | 8,096 | 6,797 | 837 | 38,068 |
| NET POSITION, Period ended | $ 15,160 | $ 11,786 | $ 1,332 | $ 155 | $ 13,327 | $ - | $ 11,927 | $ 7,558 | $ 2,541 | $ 63,786 |

* Eliminated in Combination

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# Commission Staff Report

August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Treasurer's Report for Month Ended July 31, 2018

**AGENDA CATEGORY:** Consent

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

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify* _____

_____

**RECOMMENDATION:**

Approval by all members.

**BACKGROUND**:

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

Cash - At month end cash totaled $5,683,457 of which approximately $170,657 was applicable to Special and Reserve Fund Deposits, $2,446,137 to Debt Service and $3,066,663 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 $278,485,237 at month end. The current market value of the portfolio totaled $274,929,642.

The overall portfolio had a combined weighted average interest rate of 1.763% with a bond equivalent yield (yield to maturity) of 1.787%. Investments with a maturity greater than one year totaled $152,251,000. July maturities totaled $37 million and monthly receipts totaled $47 million. During the month $47 million was invested.

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

Interest Rates - During the month, rates on 90 day T-Bills increased 7 basis points (from 1.93% to 2.00%) and rates on one year T-Bills increased 9 basis points (from 2.33% to 2.42%).

To the best of my knowledge and belief, all securities held by NCPA as of July 31, 2018 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: 189:18**

# NORTHERN CALIFORNIA POWER AGENCY

## TREASURER'S REPORT

## JULY 31, 2018

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| DETAIL REPORT OF INVESTMENTS | APPENDIX |

# Northern California Power Agency
## Treasurer's Report
## Cash & Investment Balance
## July 31, 2018

| | CASH | INVESTMENTS | TOTAL | PERCENT |
|---|---|---|---|---|
| **NCPA FUNDS** | | | | |
| Operating | $ 1,148,164 | $ 112,636,129 | $ 113,784,293 | 40.04% |
| Special Deposits | $ 904,974 | $ - | $ 904,974 | 0.32% |
| Construction | $ 1,013,525 | $ 3,984,975 | $ 4,998,500 | 1.76% |
| Debt Service | $ 2,446,137 | $ 10,219,581 | $ 12,665,718 | 4.46% |
| Special & Reserve | $ 170,657 | $ 151,644,552 | $ 151,815,209 | 53.42% |
| | $ 5,683,457 | $ 278,485,237 | $ 284,168,694 | 100.00% |

| | |
|---|---|
| **Portfolio Investments at Market Value** | $ 274,929,642 |

**NOTE A -Investment amounts shown at book carrying value.**

# Northern California Power Agency
## Treasurer's Report
## Cash Activity Summary
## July 31, 2018

| | RECEIPTS | | | EXPENDITURES | | | CASH |
|---|---|---|---|---|---|---|---|
| | OPS/CONSTR | INTEREST (NOTE B) | INVESTMENTS (NOTE A) | OPS/CONSTR | INVESTMENTS (NOTE B) | INTER-COMPANY/ FUND TRANSFERS | INCREASE / (DECREASE) |
| **NCPA FUNDS** | | | | | | | |
| **Operating** | $ 42,290,531 | $ 201,692 | $ 24,319,558 | $ (16,457,670) | $ (36,908,740) | $ (14,283,441) | $ (838,070) |
| **Special Deposits** | 4,711,971 | 9 | - | (13,023,347) | - | 7,800,185 | (511,182) |
| **Construction** | - | 15,231 | - | - | - | - | 15,231 |
| **Debt Service** | 1,613 | 90 | 10,456,170 | (31,918,363) | (7,825,461) | 6,119,482 | (23,166,469) |
| **Special & Reserve** | - | 474,202 | 1,920,200 | - | (2,689,757) | 363,774 | 68,419 |
| | $ 47,004,115 | $ 691,224 | $ 36,695,928 | $ (61,399,380) | $ (47,423,958) | $ - | $ (24,432,071) |

**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
## July 31, 2018

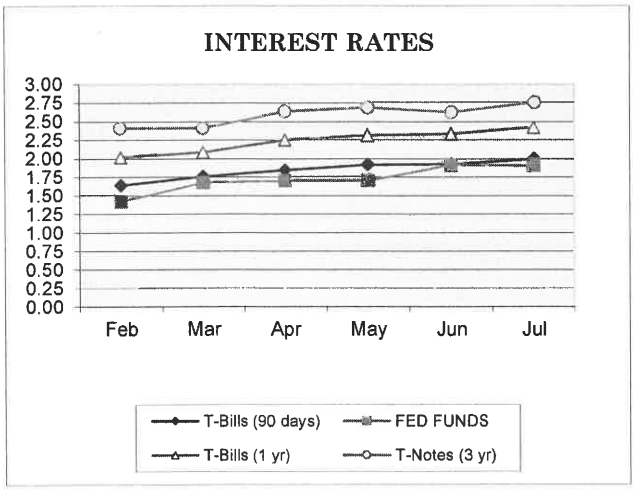
| | PURCHASED | SOLD OR MATURED | (NON-CASH) DISC/(PREM) AMORT | (NON-CASH) GAIN/(LOSS) ON SALE | INVESTMENTS TRANSFERS | INVESTMENTS INCREASE / (DECREASE) |
|---|---|---|---|---|---|---|
| NCPA FUNDS | | | | | | |
| Operating | $ 36,908,740 | $ (24,319,558) | $ 6,699 | $ (35,625) | $ - | $ 12,560,256 |
| Special Deposits | - | - | - | - | - | - |
| Construction | - | - | (571) | - | - | (571) |
| Debt Service | 7,825,461 | (10,456,170) | 6,294 | - | - | (2,624,415) |
| Special & Reserve | 2,689,757 | (1,920,200) | (6,793) | (79,800) | - | 682,964 |
| | $ 47,423,958 | $ (36,695,928) | $ 5,629 | $ (115,425) | $ - | 10,618,234 |
| Less Non- Cash Activity | | | | | | |
| Disc/(Prem) Amortization & Gain/(Loss) on Sale | | | | | | 109,796 |
| Net Change in Investment --Before Non-Cash Activity | | | | | | $ 10,728,030 |

NOTE A -Investment amounts shown at book carrying value.

# Northern California Power Agency
## Interest Rate/Yield Analysis
## July 31, 2018

| | WEIGHTED AVERAGE INTEREST RATE | BOND EQUIVALENT YIELD |
|---|---|---|
| **OVERALL COMBINED** | **1.763%** | **1.787%** |
| **OPERATING FUNDS:** | **1.725%** | **1.760%** |
| **PROJECTS:** | | |
| Geothermal | 2.072% | 2.200% |
| Capital Facilities | 1.979% | 1.989% |
| Hydroelectric | 1.715% | 1.731% |
| Lodi Energy Center | 2.000% | 1.633% |

| KEY INTEREST RATES | CURRENT | PRIOR YEAR |
|---|---|---|
| Fed Fds (Overnight) | 1.91% | 1.16% |
| T-Bills (90da.) | 2.00% | 1.13% |
| Agency Disc (90da.) | 2.02% | 1.05% |
| T-Bills (1yr.) | 2.42% | 1.23% |
| Agency Disc (1yr.) | 2.20% | 1.19% |
| T-Notes (3yr.) | 2.75% | 1.52% |



# Northern California Power Agency
## Total Portfolio
## Investment Maturities Analysis
## July 31, 2018

| Type | 0-7 Days | 8-90 Days | 91-180 Days | 181-270 Days | 271-365 Days | 1-5 Years | 6-10 Years | Total | Percent |
|---|---|---|---|---|---|---|---|---|---|
| US Government Agencies | $ 2,392 | $ - | $29,078 | $ 2,933 | $ 9,437 | $ 115,645 | $ 2,000 | $ 161,485 | 57.68% |
| Corporate Bonds (MTN) | - | - | - | - | - | 34,460 | - | 34,460 | 12.31% |
| US Bank Trust Money Market | 142 | - | - | - | - | - | - | 142 | 0.05% |
| Commercial Paper | 33,966 | - | - | - | - | - | - | 33,966 | 12.13% |
| Investment Trusts (LAIF) | 43,304 | - | - | - | - | - | - | 43,304 | 15.47% |
| U.S.Treasury Market Acct. * | 6,035 | - | - | - | - | - | - | 6,035 | 2.16% |
| U.S.Treasury Bill/Note | - | 33 | 132 | 119 | 137 | 146 | - | 567 | 0.20% |
| Certificates of Deposit | - | 10 | - | - | - | - | - | 10 | 0.00% |
| Total Dollars | $ 85,839 | $43 | $29,210 | $3,052 | $9,574 | $150,251 | $2,000 | $ 279,969 | 100.00% |
| Total Percents | 30.66% | 0.02% | 10.43% | 1.09% | 3.42% | 53.67% | 0.71% | 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
## 07/31/2018

### 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 | 30,059,900 | 1.250 | 11/26/2014 | 30,059,900 | | 1 | 1.250 | 30,059,900 | SYS70101 | 70101 | 30,059,900 |
| Local Agency Investm | LAIF | 14,324,116 | 1.899 | 07/01/2013 | 14,324,116 | | 1 | 1.899 | 14,324,116 | SYS70000 | 70000 | 14,324,116 |
| Union Bank of Califo | UBOC | 41,900 | 0.002 | 07/01/2013 | 41,900 | | 1 | 0.002 | 41,900 | SYS70014 | 70014 | 41,900 |
| US Bank | USB | 1,148,162 | 0.001 | 06/30/2013 | 1,148,162 | | 1 | 0.001 | 1,148,162 | SYS70050 | 70050 | 1,148,162 |
| US Bank | USB | 3,905,627 | 0.850 | 08/24/2017 | 3,905,627 | | 1 | 0.850 | 3,905,627 | SYS70056 | 70056 | 3,905,627 |
| US Bank | USB | 10,000 | 0.050 | 07/07/2018 | 10,000 | 10/07/2018 | 67 | 0.050 | 10,000 | SYS30308 | 30308 | 10,000 |
| Federal Farm Credit | UBOC | 3,626,000 | 1.290 | 12/21/2015 | 3,624,948 | 11/19/2018 | 110 | 1.300 | 3,617,551 | 3133EFPJ0 | 26280 | 3,625,892 |
| Federal Home Loan Mt | UBOC | 7,370,000 | 1.750 | 06/09/2015 | 7,455,050 | 05/30/2019 | 302 | 1.450 | 7,330,423 | 3137EADG1 | 26231 | 7,387,771 |
| Federal Home Loan Ba | UBOC | 4,975,000 | 1.600 | 08/28/2017 | 4,990,373 | 07/17/2020 | 716 | 1.490 | 4,870,724 | 3130ABTW6 | 26466 | 4,985,446 |
| Federal Home Loan Ba | UBOC | 2,785,000 | 1.400 | 07/19/2016 | 2,783,608 | 01/19/2021 | 902 | 1.411 | 2,688,221 | 3130A8P80 | 26355 | 2,784,237 |
| Federal Home Loan Mt | UBOC | 3,000,000 | 2.530 | 03/29/2018 | 3,000,000 | 03/29/2021 | 971 | 2.530 | 2,975,970 | 3134GSGT6 | 26564 | 3,000,000 |
| Home Depot Inc. | UBOC | 500,000 | 2.000 | 03/21/2018 | 487,800 | 04/01/2021 | 974 | 2.846 | 487,800 | 437076BL5 | 26558 | 489,255 |
| Pfizer Inc | UBOC | 500,000 | 1.950 | 06/12/2018 | 487,130 | 06/03/2021 | 1,037 | 2.858 | 488,080 | 717081DX8 | 26617 | 487,719 |
| Federal Home Loan Mt | UBOC | 1,000,000 | 2.500 | 06/28/2018 | 1,000,000 | 06/28/2021 | 1,062 | 2.990 | 998,860 | 3134GSQA6 | 26628 | 1,000,000 |
| Federal Farm Credit | UBOC | 2,602,000 | 1.720 | 08/28/2017 | 2,611,784 | 07/26/2021 | 1,090 | 1.620 | 2,515,770 | 3133EHSR5 | 26465 | 2,609,470 |
| Federal Home Loan Mt | UBOC | 3,500,000 | 1.500 | 11/23/2016 | 3,500,000 | 08/23/2021 | 1,118 | 1.500 | 3,366,265 | 3134GAVH4 | 26385 | 3,500,000 |
| Federal Home Loan Mt | UBOC | 202,000 | 2.200 | 01/30/2017 | 202,000 | 01/26/2022 | 1,274 | 2.200 | 195,738 | 3134GAV92 | 26403 | 202,000 |
| TD Ameritrade | UBOC | 500,000 | 2.950 | 05/15/2018 | 493,385 | 04/01/2022 | 1,339 | 3.315 | 491,300 | 87236YAE8 | 26601 | 493,745 |
| PepsiCo Inc. | UBOC | 500,000 | 2.250 | 03/21/2018 | 487,005 | 05/02/2022 | 1,370 | 2.924 | 483,650 | 713448DT2 | 26557 | 488,146 |
| Apple Inc. | UBOC | 1,123,337 | 2.300 | 02/01/2018 | 1,121,966 | 05/11/2022 | 1,379 | 2.329 | 1,090,940 | 037833CQ1 | 26525 | 1,122,126 |
| NStar Electric Co. | UBOC | 500,000 | 2.375 | 06/12/2018 | 484,480 | 10/15/2022 | 1,536 | 3.144 | 478,885 | 67021CAG2 | 26616 | 484,967 |
| Boeing Co. | UBOC | 500,000 | 2.200 | 06/12/2018 | 482,180 | 10/30/2022 | 1,551 | 3.074 | 480,130 | 097023BN4 | 26612 | 482,733 |
| American Honda Finan | UBOC | 500,000 | 2.600 | 06/12/2018 | 488,550 | 11/16/2022 | 1,568 | 3.157 | 484,510 | 02665WCA7 | 26614 | 488,902 |
| Chevron Corp. | UBOC | 500,000 | 2.355 | 03/21/2018 | 485,760 | 12/05/2022 | 1,587 | 3.008 | 479,805 | 166764AB6 | 26555 | 486,853 |
| Simon Property Group | UBOC | 500,000 | 2.750 | 05/15/2018 | 484,585 | 02/01/2023 | 1,645 | 3.464 | 483,535 | 828807CN5 | 26603 | 485,276 |
| Oracle Corp. | UBOC | 500,000 | 2.625 | 03/21/2018 | 488,010 | 02/15/2023 | 1,659 | 3.154 | 486,295 | 68389XBR5 | 26556 | 488,894 |
| John Deere Capital C | UBOC | 500,000 | 2.800 | 06/12/2018 | 489,875 | 03/06/2023 | 1,678 | 3.264 | 487,420 | 24422ETG4 | 26613 | 490,166 |
| Berkshire Hathaway I | UBOC | 500,000 | 2.750 | 03/21/2018 | 492,280 | 03/15/2023 | 1,687 | 3.086 | 489,410 | 084670BR8 | 26554 | 492,839 |
| United Parcel Servic | UBOC | 500,000 | 2.500 | 05/15/2018 | 483,225 | 04/01/2023 | 1,704 | 3.248 | 483,820 | 911312BK1 | 26600 | 483,951 |
| Bank of NY Mellon Co | UBOC | 500,000 | 3.500 | 05/15/2018 | 501,265 | 04/28/2023 | 1,731 | 3.443 | 499,720 | 06406RAG2 | 26602 | 501,211 |
| Hershey Company | UBOC | 500,000 | 3.375 | 06/12/2018 | 503,125 | 05/15/2023 | 1,748 | 3.236 | 501,260 | 427866AZ1 | 26615 | 503,039 |
| | **Fund Total and Average** | **$ 87,173,042** | 1.603 | | **$ 87,118,089** | | **373** | **1.621** | **$ 86,445,787** | | | **$ 87,054,343** |

### MPP GHG Auction Acct

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Local Agency Investm | | 688,160 | 1.899 | 07/01/2013 | 688,160 | | 1 | 1.899 | 688,160 | SYS70045 | 70045 | 688,160 |
| | **Fund Total and Average** | **$ 688,160** | 1.899 | | **$ 688,160** | | **1** | **1.899** | **$ 688,160** | | | **$ 688,160** |

NCPA
NORTHERN CALIFORNIA POWER AGENCY

# Northern California Power Agency
## Treasurer's Report
### 07/31/2018

## SCPA Balancing Account

| Issuer | Trustee / Custodian | Stated Value | Interest Rate | Purchase Date | Purchased Price | Maturity Date | Days to Maturity | Bond* Equiv Yield | Market Value | CUSIP | Investment # | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **SCPA Balancing Account** | | | | | | | | | | | | |
| Local Agency Investm | LAIF | 1,785,554 | 1.899 | 07/01/2013 | 1,785,554 | | 1 | 1.899 | 1,785,554 | SYS70022 | 70022 | 1,785,554 |
| Union Bank of Califo | UBOC | 2,635,106 | 0.002 | 07/01/2013 | 2,635,106 | | 1 | 0.002 | 2,635,106 | SYS70023 | 70023 | 2,635,106 |
| Federal National Mtg | UBOC | 1,462,000 | 1.625 | 12/18/2014 | 1,476,255 | 11/27/2018 | 118 | 1.369 | 1,459,573 | 3135G0YT4 | 26187 | 1,463,165 |
| Federal National Mtg | UBOC | 5,098,000 | 1.350 | 04/28/2016 | 5,098,000 | 10/28/2019 | 453 | 1.350 | 5,011,181 | 3135G0J95 | 26330 | 5,098,000 |
| Federal National Mtg | UBOC | 1,847,000 | 1.350 | 07/28/2016 | 1,847,000 | 07/28/2020 | 727 | 1.350 | 1,794,933 | 3136G3T39 | 26357 | 1,847,000 |
| Bank of NY Mellon Co | UBOC | 500,000 | 2.050 | 04/03/2018 | 486,105 | 05/03/2021 | 1,006 | 3.000 | 484,185 | 06406FAB9 | 26570 | 487,582 |
| Microsoft Corp. | UBOC | 500,000 | 2.375 | 04/04/2018 | 492,295 | 02/12/2022 | 1,291 | 2.798 | 487,815 | 594918BA1 | 26574 | 492,944 |
| Walt Disney Company/ | UBOC | 500,000 | 2.450 | 07/24/2018 | 487,520 | 03/04/2022 | 1,311 | 3.186 | 485,065 | 25468PDQ6 | 26630 | 487,587 |
| TD Ameritrade | UBOC | 500,000 | 2.950 | 04/03/2018 | 497,200 | 04/01/2022 | 1,339 | 3.100 | 491,300 | 87236YAE8 | 26571 | 497,430 |
| Home Depot Inc. | UBOC | 500,000 | 2.625 | 04/04/2018 | 494,290 | 06/01/2022 | 1,400 | 2.918 | 493,320 | 437076BG6 | 26572 | 494,736 |
| Public Storage | UBOC | 500,000 | 2.370 | 04/04/2018 | 483,705 | 09/15/2022 | 1,506 | 3.161 | 479,905 | 74460DAB5 | 26573 | 484,896 |
| Visa Inc. | UBOC | 250,000 | 2.800 | 07/24/2018 | 246,975 | 12/14/2022 | 1,596 | 3.096 | 245,515 | 92826CAC6 | 26632 | 246,988 |
| Intel Corp | UBOC | 500,000 | 2.700 | 06/22/2018 | 492,300 | 12/15/2022 | 1,597 | 3.070 | 488,740 | 458140AM2 | 26625 | 492,486 |
| Toyota Motor Credit | UBOC | 550,000 | 2.625 | 05/09/2018 | 536,294 | 01/10/2023 | 1,623 | 3.203 | 533,357 | 89233P7F7 | 26598 | 536,963 |
| Cisco Systems Inc. | UBOC | 500,000 | 2.600 | 06/22/2018 | 487,655 | 02/28/2023 | 1,672 | 3.170 | 487,470 | 17275RBE1 | 26624 | 487,941 |
| Exxon Mobil Corporat | UBOC | 500,000 | 2.726 | 05/09/2018 | 492,670 | 03/01/2023 | 1,673 | 3.055 | 490,170 | 30231GAR3 | 26599 | 493,017 |
| Berkshire Hathaway I | UBOC | 500,000 | 2.750 | 05/09/2018 | 490,280 | 03/15/2023 | 1,687 | 3.185 | 489,410 | 084670BR8 | 26596 | 490,736 |
| United Parcel Servic | UBOC | 500,000 | 2.500 | 06/22/2018 | 484,780 | 04/01/2023 | 1,704 | 3.191 | 483,820 | 911312BK1 | 26627 | 485,125 |
| Nike Inc | UBOC | 500,000 | 2.250 | 05/09/2018 | 480,350 | 05/01/2023 | 1,734 | 3.108 | 479,825 | 654106AC7 | 26597 | 481,249 |
| Federal Home Loan Mt | UBOC | 2,500,000 | 2.750 | 05/24/2018 | 2,500,000 | 05/24/2023 | 1,757 | 3.326 | 2,494,375 | 3134GSLU7 | 26604 | 2,500,000 |
| Simon Property Group | UBOC | 500,000 | 2.750 | 07/24/2018 | 484,725 | 06/01/2023 | 1,765 | 3.438 | 481,940 | 828807DD6 | 26631 | 484,786 |
| Federal Home Loan Mt | UBOC | 1,000,000 | 2.700 | 06/14/2018 | 1,000,000 | 06/14/2023 | 1,778 | 3.316 | 998,060 | 3134GSNE1 | 26622 | 1,000,000 |
| Federal Home Loan Mt | UBOC | 2,000,000 | 3.000 | 07/23/2018 | 1,999,000 | 06/14/2023 | 1,778 | 3.300 | 1,991,620 | 3134GSNK7 | 26629 | 1,999,005 |
| Pfizer Inc | UBOC | 500,000 | 3.000 | 06/22/2018 | 496,550 | 06/15/2023 | 1,779 | 3.150 | 495,190 | 717081DH3 | 26626 | 496,625 |
| | **Fund Total and Average** | **$ 26,127,660** | 1.945 | | **$ 25,974,609** | | **975** | **2.188** | **$ 25,767,429** | | | **$ 25,968,921** |
| **General Operating Reserve** | | | | | | | | | | | | |
| Local Agency Investm | LAIF | 15,244,018 | 1.899 | 07/01/2013 | 15,244,018 | | 1 | 1.899 | 15,244,018 | SYS70000 | 70002 | 15,244,018 |
| Union Bank of Califo | UBOC | 141,001 | 0.002 | 07/01/2013 | 141,001 | | 1 | 0.002 | 141,001 | SYS70019 | 70019 | 141,001 |
| US Bank | USB | 0 | 0.000 | 07/01/2013 | 0 | | 1 | 0.000 | 0 | SYS70051 | 70051 | 0 |
| Federal National Mtg | UBOC | 5,970,000 | 1.625 | 12/23/2014 | 6,009,701 | 11/27/2018 | 118 | 1.450 | 5,960,090 | 3135G0YT4 | 26188 | 5,973,257 |
| Federal National Mtg | UBOC | 4,982,000 | 1.750 | 08/28/2015 | 5,047,364 | 11/26/2019 | 482 | 1.430 | 4,929,938 | 3135G0ZY2 | 26246 | 5,002,319 |
| Federal Farm Credit | UBOC | 4,285,000 | 1.440 | 07/20/2016 | 4,280,715 | 01/19/2021 | 902 | 1.463 | 4,142,952 | 3133EGMP7 | 26356 | 4,282,650 |
| Federal Home Loan Ba | UBOC | 11,720,000 | 1.400 | 07/19/2016 | 11,714,140 | 01/19/2021 | 902 | 1.411 | 11,312,730 | 3130A8P80 | 26354 | 11,716,788 |
| Federal National Mtg | UBOC | 5,162,000 | 1.625 | 05/25/2016 | 5,162,000 | 05/25/2021 | 1,028 | 1.625 | 4,978,439 | 3136G3NL5 | 26332 | 5,162,000 |
| Federal National Mtg | UBOC | 1,300,000 | 1.500 | 08/30/2016 | 1,300,000 | 05/28/2021 | 1,031 | 1.500 | 1,248,234 | 3136G33W3 | 26368 | 1,300,000 |
| Federal Farm Credit | UBOC | 10,629,000 | 1.690 | 06/02/2016 | 10,629,000 | 06/02/2021 | 1,036 | 1.690 | 10,287,597 | 3133EGDH5 | 26335 | 10,629,000 |
| Federal Home Loan Mt | UBOC | 467,000 | 2.200 | 01/30/2017 | 467,000 | 01/26/2022 | 1,274 | 2.200 | 452,523 | 3134GAV92 | 26402 | 467,000 |

NCPA
NORTHERN CALIFORNIA POWER AGENCY

# Northern California Power Agency
## Treasurer's Report
## 07/31/2018

### 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Microsoft Corp. | UBOC | 400,000 | 2.375 | 04/26/2018 | 391,480 | 02/12/2022 | 1,291 | 2.972 | 390,252 | 594918BA1 | 26578 | 392,073 |
| TD Ameritrade | UBOC | 500,000 | 2.950 | 04/26/2018 | 492,950 | 04/01/2022 | 1,339 | 3.335 | 491,300 | 87236YAE8 | 26582 | 493,423 |
| Apple Inc. | UBOC | 4,025,452 | 2.300 | 02/01/2018 | 4,020,538 | 05/11/2022 | 1,379 | 2.329 | 3,909,358 | 037833CQ1 | 26524 | 4,021,112 |
| Federal Home Loan Ba | UBOC | 3,575,000 | 2.125 | 08/28/2017 | 3,634,560 | 06/10/2022 | 1,409 | 1.760 | 3,480,870 | 313379Q69 | 26467 | 3,623,042 |
| PepsiCo Inc. | UBOC | 500,000 | 3.100 | 04/26/2018 | 500,310 | 07/17/2022 | 1,446 | 3.083 | 499,170 | 713448CX4 | 26580 | 500,291 |
| Visa Inc. | UBOC | 500,000 | 2.800 | 04/26/2018 | 492,600 | 12/14/2022 | 1,596 | 3.145 | 491,030 | 92826CAC6 | 26584 | 493,021 |
| General Electric Co. | UBOC | 500,000 | 3.100 | 04/26/2018 | 490,415 | 01/09/2023 | 1,622 | 3.545 | 490,460 | 36962G6S8 | 26577 | 490,953 |
| Bank of NY Mellon Co | UBOC | 500,000 | 2.950 | 04/26/2018 | 491,790 | 01/29/2023 | 1,642 | 3.325 | 488,745 | 06406RAE7 | 26575 | 492,245 |
| Oracle Corp. | UBOC | 500,000 | 2.625 | 04/26/2018 | 487,350 | 02/15/2023 | 1,659 | 3.195 | 486,295 | 68389XBR5 | 26579 | 488,045 |
| Praxair Inc | UBOC | 500,000 | 2.700 | 04/26/2018 | 488,350 | 02/21/2023 | 1,665 | 3.225 | 486,385 | 74005PBF0 | 26581 | 488,988 |
| Berkshire Hathaway I | UBOC | 500,000 | 2.750 | 04/26/2018 | 488,920 | 03/15/2023 | 1,687 | 3.243 | 489,410 | 084670BR8 | 26576 | 489,518 |
| United Parcel Servic | UBOC | 500,000 | 2.500 | 04/26/2018 | 483,135 | 04/01/2023 | 1,704 | 3.245 | 483,820 | 911312BK1 | 26583 | 484,038 |
| | **Fund Total and Average** | **$ 72,400,471** | 1.792 | | **$ 72,457,337** | | **746** | **1.772** | **$ 70,884,617** | | | **$ 72,374,782** |
| | **GRAND TOTALS:** | **$ 186,389,333** | 1.725 | | **$ 186,238,195** | | **601** | **1.760** | **$ 183,785,993.** | | | **$ 186,086,206** |

***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 07/31/2018**

| | | |
|---|---|---|
| **Investment #26330** | **FNMA** | **Callable quarterly** |
| **Investment #26332** | **FNMA** | **Callable quarterly** |
| **Investment #26335** | **FFCB** | **Callable anytime** |
| **Investment #26354** | **FHLB** | **Callable anytime** |
| **Investment #26355** | **FHLB** | **Callable anytime** |
| **Investment #26356** | **FFCB** | **Callable anytime** |
| **Investment #26357** | **FNMA** | **Callable quarterly** |
| **Investment #26368** | **FNMA** | **Callable quarterly** |
| **Investment #26385** | **FHLMC** | **Callable quarterly** |
| **Investment #26402** | **FHLMC** | **Callable quarterly** |
| **Investment #26403** | **FHLMC** | **Callable quarterly** |
| **Investment #26564** | **FHLMC** | **Callable until 3/29/19** |
| **Investment #26629** | **FHLMC** | **Callable quarterly starting 9/14/2018** |

# Northern California Power Agency
## Treasurer's Report
## 07/31/2018

### Geothermal 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 | 236,000 | 2.050 | 07/31/2018 | 233,917 | 01/02/2019 | 154 | 2.096 | 233,467 | 313384AB5A | 26633 | 233,930 |
| | **Fund Total and Average** | **$ 236,000** | 2.050 | | **$ 233,917** | | **154** | **2.097** | **$ 233,467** | | | **$ 233,930** |

### Geo 2012A Debt Service

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Home Loan Ba | USBT | 124,000 | 2.050 | 07/31/2018 | 122,906 | 01/02/2019 | 154 | 2.096 | 122,669 | 313384AB5A | 26634 | 122,913 |
| | **Fund Total and Average** | **$ 124,000** | 2.050 | | **$ 122,906** | | **154** | **2.097** | **$ 122,669** | | | **$ 122,913** |

### Geo 2016A Debt Service

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. Treasury | USBT | 54,000 | 1.949 | 07/31/2018 | 53,564 | 12/27/2018 | 148 | 1.993 | 53,534 | 912796QQ5 | 26635 | 53,567 |
| | **Fund Total and Average** | **$ 54,000** | 1.950 | | **$ 53,564** | | **148** | **1.993** | **$ 53,534** | | | **$ 53,567** |

### Geothermal Special Reserve

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Union Bank of Califo | UBOC | 0 | 0.002 | 07/01/2013 | 0 | | 1 | 0.002 | 0 | SYS70015 | 70015 | 0 |
| Federal Home Loan Mt | UBOC | 1,500,000 | 1.150 | 02/26/2016 | 1,500,000 | 11/26/2018 | 117 | 1.150 | 1,495,560 | 3134G8KVO | 26302 | 1,500,000 |
| | **Fund Total and Average** | **$ 1,500,000** | 1.150 | | **$ 1,500,000** | | **117** | **1.150** | **$ 1,495,560** | | | **$ 1,500,000** |

### Geo Decommissioning Reserve

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Local Agency Investm | LAIF | 4,735,716 | 1.899 | 07/01/2013 | 4,735,716 | | 1 | 1.899 | 4,735,716 | SYS70027 | 70027 | 4,735,716 |
| Union Bank of Califo | UBOC | 11,063 | 0.002 | 07/01/2013 | 11,063 | | 1 | 0.002 | 11,063 | SYS70034 | 70034 | 11,063 |
| Federal National Mtg | UBOC | 3,500,000 | 1.500 | 08/30/2016 | 3,500,000 | 05/28/2021 | 1,031 | 1.500 | 3,360,630 | 3136G33W3 | 26369 | 3,500,000 |
| PNC Bank NA | UBOC | 750,000 | 2.550 | 03/15/2018 | 735,450 | 12/09/2021 | 1,226 | 3.103 | 730,853 | 69353REY0 | 26553 | 736,922 |
| Federal Home Loan Mt | UBOC | 941,000 | 2.200 | 01/30/2017 | 941,000 | 01/26/2022 | 1,274 | 2.200 | 911,829 | 3134GAV92 | 26404 | 941,000 |
| Apple Inc. | UBOC | 861,211 | 2.300 | 11/29/2017 | 860,117 | 05/11/2022 | 1,379 | 2.329 | 836,374 | 037833CQ1 | 26499 | 860,282 |
| Walt Disney Company/ | UBOC | 750,000 | 2.350 | 03/15/2018 | 728,580 | 12/01/2022 | 1,583 | 3.004 | 722,993 | 25468PCW4 | 26551 | 730,298 |
| General Electric Co. | UBOC | 750,000 | 3.100 | 03/15/2018 | 740,385 | 01/09/2023 | 1,622 | 3.390 | 735,690 | 36962G6S8 | 26552 | 741,139 |
| John Deere Capital C | UBOC | 750,000 | 2.800 | 03/15/2018 | 739,748 | 01/27/2023 | 1,640 | 3.104 | 732,623 | 24422ERT8 | 26550 | 740,543 |
| Bank of NY Mellon Co | UBOC | 750,000 | 2.950 | 03/15/2018 | 740,610 | 01/29/2023 | 1,642 | 3.229 | 733,118 | 06406RAE7 | 26549 | 741,338 |
| IBM Credit LLC | UBOC | 500,000 | 3.000 | 03/15/2018 | 496,820 | 02/06/2023 | 1,650 | 3.140 | 493,145 | 44932HAH6 | 26548 | 497,066 |
| Federal Home Loan Mt | UBOC | 2,000,000 | 2.700 | 06/14/2018 | 2,000,000 | 06/14/2023 | 1,778 | 3.316 | 1,996,120 | 3134GSNE1 | 26623 | 2,000,000 |
| Federal Farm Credit | UBOC | 2,000,000 | 3.450 | 07/27/2018 | 1,999,300 | 07/23/2025 | 2,548 | 3.455 | 1,992,880 | 3133EJUT4 | 26644 | 1,999,301 |
| | **Fund Total and Average** | **$ 18,298,990** | 2.316 | | **$ 18,228,789** | | **1161** | **2.474** | **$ 17,993,034** | | | **$ 18,234,668** |

### GEO Debt Service Reserve Acct

NCPA
NORTHERN CALIFORNIA POWER AGENCY

# Northern California Power Agency
## Treasurer's Report
## 07/31/2018

### GEO Debt Service Reserve Acct

| Issuer | Trustee / Custodian | Stated Value | Interest Rate | Purchase Date | Purchased Price | Maturity Date | Days to Maturity | Bond* Equiv Yield | Market Value | CUSIP | Investment # | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. Treasury | USB | 56,000 | 1.823 | 02/27/2018 | 55,041 | 01/31/2019 | 183 | 1.872 | 55,390 | 912796PP8 | 26536 | 55,481 |
| Federal Home Loan Mt | USBT | 907,000 | 1.750 | 06/02/2015 | 920,886 | 05/30/2019 | 302 | 1.354 | 902,129 | 3137EADG1 | 26228 | 909,887 |
| Federal Home Loan Mt | USBT | 2,515,000 | 1.250 | 02/27/2015 | 2,483,839 | 10/02/2019 | 427 | 1.530 | 2,477,778 | 3137EADM8 | 26197 | 2,507,073 |
| | **Fund Total and Average** | **$ 3,478,000** | 1.390 | | **$ 3,459,766** | | **390** | **1.490** | **$ 3,435,297** | | | **$ 3,472,441** |

### Geo 2012A DSR Account

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. Treasury | USB | 41,000 | 1.555 | 01/03/2018 | 40,403 | 12/06/2018 | 127 | 1.594 | 40,706 | 912796PE3 | 26511 | 40,775 |
| Federal National Mtg | USBT | 1,517,000 | 1.625 | 05/25/2016 | 1,517,000 | 05/25/2021 | 1,028 | 1.625 | 1,463,055 | 3136G3NL5 | 26333 | 1,517,000 |
| | **Fund Total and Average** | **$ 1,558,000** | 1.623 | | **$ 1,557,403** | | **1004** | **1.624** | **$ 1,503,761** | | | **$ 1,557,775** |
| | **GRAND TOTALS:** | **$ 25,248,990** | 2.072 | | **$ 25,156,345** | | **966** | **2.200** | **$ 24,837,322.** | | | **$ 25,175,294** |

***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 07/31/2018**

| | | |
|---|---|---|
| **Investment #26302** | **FHLMC** | **Callable quarterly** |
| **Investment #26333** | **FNMA** | **Callable quarterly** |
| **Investment #26369** | **FNMA** | **Callable quarterly** |
| **Investment #26404** | **FHLMC** | **Callable quarterly** |
| **Investment #26644** | **FFCB** | **Callable anytime starting 7/23/2021** |

# Northern California Power Agency
## Treasurer's Report
## 07/31/2018

### 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 | 4,739,236 | 1.899 | 07/01/2013 | 4,739,236 | | 1 | 1.899 | 4,739,236 | SYS70028 | 70028 | 4,739,236 |
| Union Bank of Califo | UBOC | 2,038,505 | 0.002 | 07/01/2013 | 2,038,505 | | 1 | 0.002 | 2,038,505 | SYS70031 | 70031 | 2,038,505 |
| Federal Home Loan Mt | UBOC | 3,221,000 | 1.150 | 02/29/2016 | 3,221,000 | 11/26/2018 | 117 | 1.150 | 3,211,466 | 3134G8KVO | 26304 | 3,221,000 |
| Federal National Mtg | UBOC | 3,320,000 | 1.350 | 06/30/2016 | 3,320,000 | 12/30/2019 | 516 | 1.350 | 3,253,268 | 3136G3VH5 | 26340 | 3,320,000 |
| Branch Banking & Tru | UBOC | 500,000 | 2.625 | 06/13/2018 | 488,420 | 01/15/2022 | 1,263 | 3.314 | 488,435 | 07330NAQ8 | 26618 | 488,850 |
| Exxon Mobil Corporat | UBOC | 500,000 | 2.397 | 06/13/2018 | 490,350 | 03/06/2022 | 1,313 | 2.946 | 488,170 | 30231GAJ1 | 26621 | 490,695 |
| Public Storage | UBOC | 500,000 | 2.370 | 03/14/2018 | 485,770 | 09/15/2022 | 1,506 | 3.051 | 479,905 | 74460DAB5 | 26546 | 486,973 |
| Visa Inc. | UBOC | 500,000 | 2.800 | 03/14/2018 | 494,470 | 12/14/2022 | 1,596 | 3.051 | 491,030 | 92826CAC6 | 26547 | 494,913 |
| Toyota Motor Credit | UBOC | 500,000 | 2.700 | 06/13/2018 | 489,100 | 01/11/2023 | 1,624 | 3.215 | 485,595 | 89236TEL5 | 26619 | 489,417 |
| Oracle Corp. | UBOC | 500,000 | 2.625 | 03/14/2018 | 488,715 | 02/15/2023 | 1,659 | 3.121 | 486,295 | 68389XBR5 | 26545 | 489,588 |
| Boeing Co. | UBOC | 500,000 | 2.800 | 03/14/2018 | 496,070 | 03/01/2023 | 1,673 | 2.971 | 490,090 | 097023BW4 | 26544 | 496,371 |
| United Parcel Servic | UBOC | 500,000 | 2.500 | 06/13/2018 | 484,900 | 04/01/2023 | 1,704 | 3.182 | 483,820 | 911312BK1 | 26620 | 485,319 |
| | **Fund Total and Average** | **$ 17,318,741** | 1.589 | | **$ 17,236,536** | | **472** | **1.704** | **$ 17,135,815** | | | **$ 17,240,867** |

### Hydro Initial Facilities

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. Treasury | USB | 16,000 | 1.680 | 02/27/2018 | 15,868 | 08/23/2018 | 22 | 1.717 | 15,982 | 912796PV5 | 26540 | 15,984 |
| Federal National Mtg | USB | 1,529,000 | 1.625 | 12/12/2014 | 1,539,244 | 11/27/2018 | 118 | 1.450 | 1,526,462 | 3135G0YT4 | 26189 | 1,529,834 |
| Federal Farm Credit | USB | 2,437,000 | 1.250 | 02/02/2016 | 2,450,501 | 01/22/2019 | 174 | 1.060 | 2,425,205 | 3133EFVQ7 | 26300 | 2,439,158 |
| | **Fund Total and Average** | **$ 3,982,000** | 1.396 | | **$ 4,005,613** | | **152** | **1.213** | **$ 3,967,649** | | | **$ 3,984,976** |

### Hydro Debt Service

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Home Loan Ba | USBT | 1,803,000 | 2.050 | 07/31/2018 | 1,787,086 | 01/02/2019 | 154 | 2.096 | 1,783,648 | 313384AB5A | 26636 | 1,787,189 |
| | **Fund Total and Average** | **$ 1,803,000** | 2.050 | | **$ 1,787,086** | | **154** | **2.097** | **$ 1,783,648** | | | **$ 1,787,189** |

### Hydro 2018A Debt Service

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Home Loan Ba | USBT | 1,036,000 | 2.050 | 07/31/2018 | 1,026,856 | 01/02/2019 | 154 | 2.096 | 1,024,881 | 313384AB5A | 26637 | 1,026,915 |
| | **Fund Total and Average** | **$ 1,036,000** | 2.050 | | **$ 1,026,856** | | **154** | **2.097** | **$ 1,024,881** | | | **$ 1,026,915** |

### Hydro 2018B Debt Service

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Home Loan Ba | USBT | 115,000 | 2.050 | 07/31/2018 | 113,985 | 01/02/2019 | 154 | 2.096 | 113,766 | 313384AB5A | 26638 | 113,992 |
| | **Fund Total and Average** | **$ 115,000** | 2.050 | | **$ 113,985** | | **154** | **2.097** | **$ 113,766** | | | **$ 113,992** |

### Hydro Debt Service Resrv 2010A

# Northern California Power Agency

## Treasurer's Report

## 07/31/2018

### 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 | 1,462,000 | 1.740 | 02/27/2018 | 1,451,047 | 08/01/2018 | 0 | 1.777 | 1,462,000 | 313385A30A | 26542 | 1,462,000 |
| Federal Home Loan Ba | USBT | 466,000 | 1.770 | 03/27/2018 | 463,090 | 08/01/2018 | 0 | 1.805 | 466,000 | 313385A30A | 26559 | 466,000 |
| Federal Home Loan Ba | USBT | 464,000 | 1.820 | 04/30/2018 | 461,818 | 08/01/2018 | 0 | 1.853 | 464,000 | 313385A30A | 26585 | 464,000 |
| | **Fund Total and Average** | **$ 2,392,000** | 1.761 | | **$ 2,375,955** | | **0** | **1.798** | **$ 2,392,000** | | | **$ 2,392,000** |

### Cap. Fac. Debt Svc Reserve

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. Treasury | USB | 17,000 | 1.680 | 02/27/2018 | 16,860 | 08/23/2018 | 22 | 1.717 | 16,980 | 912796PV5 | 26541 | 16,983 |
| U.S. Treasury | USB | 37,000 | 1.554 | 01/03/2018 | 36,461 | 12/06/2018 | 127 | 1.594 | 36,734 | 912796PE3 | 26514 | 36,797 |
| Federal National Mtg | USB | 71,000 | 1.530 | 07/28/2016 | 71,000 | 07/28/2021 | 1,092 | 1.530 | 67,765 | 3136G3S97 | 26358 | 71,000 |
| Federal Home Loan Mt | USB | 1,443,000 | 2.375 | 02/13/2012 | 1,447,430 | 01/13/2022 | 1,261 | 2.340 | 1,419,696 | 3137EADB2 | 25845 | 1,444,541 |
| | **Fund Total and Average** | **$ 1,568,000** | 2.310 | | **$ 1,571,751** | | **1213** | **2.279** | **$ 1,541,175** | | | **$ 1,569,321** |
| | **GRAND TOTALS:** | **$ 3,960,000** | 1.979 | | **$ 3,947,706** | | **481** | **1.989** | **$ 3,933,175.** | | | **$ 3,961,321** |

***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 07/31/2018**

**Investment #26358 FNMA Callable quarterly**

NCPA
NORTHERN CALIFORNIA POWER AGENCY

# Northern California Power Agency
## Treasurer's Report
## 07/31/2018

### Hydro Debt Service Resrv 2010A

| Issuer | Trustee / Custodian | Stated Value | Interest Rate | Purchase Date | Purchased Price | Maturity Date | Days to Maturity | Bond* Equiv Yield | Market Value | CUSIP | Investment # | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. Treasury | USB | 52,000 | 1.625 | 02/27/2018 | 51,780 | 06/30/2019 | 333 | 1.945 | 51,616 | 912828WS5 | 26537 | 51,850 |
| Federal Home Loan Ba | USB | 135,000 | 4.375 | 07/28/2017 | 142,601 | 07/01/2019 | 334 | 1.400 | 137,356 | 3133XU3G6 | 26451 | 138,619 |
| Federal Farm Credit | USB | 5,528,000 | 1.750 | 08/28/2015 | 5,546,187 | 08/04/2020 | 734 | 1.680 | 5,420,315 | 3133EE5Z9 | 26243 | 5,535,404 |
| | **Fund Total and Average** | **$ 5,715,000** | 1.812 | | **$ 5,740,568** | | **721** | **1.676** | **$ 5,609,287** | | | **$ 5,725,873** |

### Hydro 2012A Rebate Account

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Home Loan Mt | USB | 689,000 | 1.875 | 04/28/2017 | 691,391 | 08/09/2021 | 1,104 | 1.790 | 670,466 | 3134G93A3 | 26432 | 690,688 |
| | **Fund Total and Average** | **$ 689,000** | 1.875 | | **$ 691,391** | | **1104** | **1.790** | **$ 670,466** | | | **$ 690,688** |

### Hydro Special Reserve

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Local Agency Investm | LAIF | 0 | 0.377 | 07/01/2013 | 0 | | 1 | 0.377 | 0 | SYS70000 | 70003 | 0 |
| Union Bank of Califo | UBOC | 0 | 0.002 | 07/01/2013 | 0 | | 1 | 0.002 | 0 | SYS70016 | 70016 | 0 |
| Federal Home Loan Mt | UBOC | 1,500,000 | 1.150 | 02/26/2016 | 1,500,000 | 11/26/2018 | 117 | 1.150 | 1,495,560 | 3134G8KVO | 26303 | 1,500,000 |
| | **Fund Total and Average** | **$ 1,500,000** | 1.150 | | **$ 1,500,000** | | **117** | **1.150** | **$ 1,495,560** | | | **$ 1,500,000** |

### Hydro 2012 Cost of Issuance

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Bank | USB | 0 | 0.040 | 07/01/2013 | 0 | | 1 | 0.040 | 0 | SYS79061 | 79061 | 0 |
| | **Fund Total and Average** | **$ 0** | *** *** | | **$ 0** | | **** | **** *** | **$ 0** | | | **$ 0** |

### Hydro 2012 DSRA

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Farm Credit | USB | 100,000 | 1.750 | 08/28/2015 | 100,329 | 08/04/2020 | 734 | 1.680 | 98,052 | 3133EE5Z9 | 26244 | 100,134 |
| U.S. Treasury | USB | 146,000 | 2.250 | 02/27/2018 | 145,992 | 02/15/2021 | 929 | 2.251 | 144,226 | 9128283X6 | 26539 | 145,994 |
| Federal National Mtg | USB | 94,000 | 1.530 | 07/28/2016 | 94,000 | 07/28/2021 | 1,092 | 1.530 | 89,717 | 3136G3S97 | 26359 | 94,000 |
| Federal Home Loan Mt | USB | 3,928,000 | 2.375 | 02/09/2012 | 3,926,232 | 01/13/2022 | 1,261 | 2.380 | 3,864,563 | 3137EADB2 | 25852 | 3,927,386 |
| | **Fund Total and Average** | **$ 4,268,000** | 2.337 | | **$ 4,266,553** | | **1234** | **2.340** | **$ 4,196,558** | | | **$ 4,267,514** |
| | **GRAND TOTALS:** | **$ 36,426,741** | 1.715 | | **$ 36,368,588** | | **537** | **1.731** | **$ 35,997,630.** | | | **$ 36,338,014** |

***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 07/31/2018**

| | | |
|---|---|---|
| **Investment #26303** | **FHLMC** | **Callable quarterly** |
| **Investment #26340** | **FNMA** | **Callable quarterly** |
| **Investment #26359** | **FNMA** | **Callable quarterly** |

# Northern California Power Agency
## Treasurer's Report
## 07/31/2018

### 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 | | 72,868 | 1.899 | 07/01/2013 | 72,868 | | 1 | 1.899 | 72,868 | SYS70046 | 70046 | 72,868 |
| | **Fund Total and Average** | **$ 72,868** | 1.899 | | **$ 72,868** | | **1** | **1.899** | **$ 72,868** | | | **$ 72,868** |

### LEC Issue#1 2010A DS Fund

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Bank Trust | USB | 313 | 0.600 | 07/01/2013 | 313 | | 1 | 0.600 | 313 | SYS79003 | 79003 | 313 |
| Federal Home Loan Ba | USBT | 1,271,000 | 2.030 | 07/31/2018 | 1,262,041 | 12/03/2018 | 124 | 2.072 | 1,261,760 | 313385R73 | 26639 | 1,262,113 |
| | **Fund Total and Average** | **$ 1,271,313** | 2.030 | | **$ 1,262,354** | | **124** | **2.072** | **$ 1,262,073** | | | **$ 1,262,426** |

### LEC Issue #1 2010B DS Fund

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Bank Trust | USB | 1,030 | 0.600 | 07/01/2013 | 1,030 | | 1 | 0.600 | 1,030 | SYS79004 | 79004 | 1,030 |
| Federal Home Loan Ba | USBT | 1,460,000 | 2.030 | 07/31/2018 | 1,449,709 | 12/03/2018 | 124 | 2.072 | 1,449,386 | 313385R73 | 26640 | 1,449,791 |
| | **Fund Total and Average** | **$ 1,461,030** | 2.029 | | **$ 1,450,739** | | **124** | **2.072** | **$ 1,450,416** | | | **$ 1,450,821** |

### LEC Issue #2 2010A DS Fund

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Bank Trust | USB | 269 | 0.600 | 07/01/2013 | 269 | | 1 | 0.600 | 269 | SYS79011 | 79011 | 269 |
| Federal Home Loan Ba | USBT | 838,000 | 2.030 | 07/31/2018 | 832,093 | 12/03/2018 | 124 | 2.072 | 831,908 | 313385R73 | 26641 | 832,141 |
| | **Fund Total and Average** | **$ 838,269** | 2.030 | | **$ 832,362** | | **124** | **2.072** | **$ 832,177** | | | **$ 832,410** |

### LEC Issue #2 2010B DS Fund

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Bank Trust | USB | 62 | 0.600 | 07/01/2013 | 62 | | 1 | 0.600 | 62 | SYS79012 | 79012 | 62 |
| Federal Home Loan Ba | USBT | 702,000 | 2.030 | 07/31/2018 | 697,052 | 12/03/2018 | 124 | 2.072 | 696,896 | 313385R73 | 26642 | 697,091 |
| | **Fund Total and Average** | **$ 702,062** | 2.030 | | **$ 697,114** | | **124** | **2.073** | **$ 696,958** | | | **$ 697,153** |

### LEC Issue#1 2017A DS Fund

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Home Loan Ba | USBT | 248,000 | 2.030 | 07/31/2018 | 246,252 | 12/03/2018 | 124 | 2.072 | 246,197 | 313385R73 | 26643 | 246,266 |
| | **Fund Total and Average** | **$ 248,000** | 2.030 | | **$ 246,252** | | **124** | **2.073** | **$ 246,197** | | | **$ 246,266** |

### LEC Issue #1 2010 DSR Fund

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Bank Trust | USB | 80,680 | 0.600 | 07/01/2013 | 80,680 | | 1 | 0.600 | 80,680 | SYS79005 | 79005 | 80,680 |
| U.S. Treasury | USB | 85,000 | 1.625 | 02/27/2018 | 84,641 | 06/30/2019 | 333 | 1.945 | 84,373 | 912828WS5 | 26538 | 84,755 |
| Federal Farm Credit | USB | 4,360,000 | 1.660 | 06/08/2016 | 4,360,000 | 05/25/2021 | 1,028 | 1.659 | 4,203,912 | 3133EGBZ7 | 26337 | 4,360,000 |

NCPA
NORTHERN CALIFORNIA POWER AGENCY

# Northern California Power Agency
## Treasurer's Report
## 07/31/2018

### LEC Issue #1 2010 DSR Fund

| Issuer | Trustee / Custodian | Stated Value | Interest Rate | Purchase Date | Purchased Price | Maturity Date | Days to Maturity | Bond* Equiv Yield | Market Value | CUSIP | Investment # | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Home Loan Mt | USB | 150,000 | 1.125 | 07/28/2017 | 146,648 | 08/12/2021 | 1,107 | 1.699 | 142,670 | 3137EAEC9 | 26454 | 147,484 |
| Federal Home Loan Ba | USB | 4,100,000 | 2.125 | 08/28/2017 | 4,168,306 | 06/10/2022 | 1,409 | 1.760 | 3,992,047 | 313379Q69 | 26463 | 4,155,097 |
| | **Fund Total and Average** | **$ 8,775,680** | 1.860 | | **$ 8,840,275** | | **1193** | **1.701** | **$ 8,503,682** | | | **$ 8,828,016** |

### LEC Iss#1 2010B BABS Subs Resv

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Bank Trust | USB | 36,609 | 0.600 | 07/01/2013 | 36,609 | | 1 | 0.600 | 36,609 | SYS79006 | 79006 | 36,609 |
| U.S. Treasury | USB | 38,000 | 1.823 | 02/27/2018 | 37,349 | 01/31/2019 | 183 | 1.872 | 37,586 | 912796PP8 | 26534 | 37,648 |
| Federal Home Loan Ba | USB | 2,145,000 | 3.375 | 07/28/2017 | 2,255,146 | 06/12/2020 | 681 | 1.540 | 2,171,083 | 313370E38 | 26455 | 2,216,478 |
| | **Fund Total and Average** | **$ 2,219,609** | 3.305 | | **$ 2,329,104** | | **662** | **1.530** | **$ 2,245,278** | | | **$ 2,290,735** |

### LEC Issue #2 2010B DSR BABS

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Bank Trust | USB | 23,047 | 0.600 | 07/01/2013 | 23,047 | | 1 | 0.600 | 23,047 | SYS79013 | 79013 | 23,047 |
| U.S. Treasury | USB | 25,000 | 1.823 | 02/27/2018 | 24,572 | 01/31/2019 | 183 | 1.872 | 24,728 | 912796PP8 | 26535 | 24,768 |
| Federal Home Loan Ba | USB | 1,025,000 | 4.375 | 07/28/2017 | 1,082,708 | 07/01/2019 | 334 | 1.400 | 1,042,886 | 3133XU3G6 | 26456 | 1,052,480 |
| | **Fund Total and Average** | **$ 1,073,047** | 4.238 | | **$ 1,130,327** | | **324** | **1.394** | **$ 1,090,661** | | | **$ 1,100,295** |

### LEC O & M Reserve

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Local Agency Investm | | 1,714,390 | 1.899 | 07/01/2013 | 1,714,390 | | 1 | 1.899 | 1,714,390 | SYS70047 | 70047 | 1,714,390 |
| Union Bank of Califo | UBOC | 19,537 | 0.002 | 07/18/2013 | 19,537 | | 1 | 0.002 | 19,537 | SYS70041 | 70041 | 19,537 |
| Federal National Mtg | UBOC | 2,933,000 | 1.875 | 08/28/2015 | 2,998,142 | 02/19/2019 | 202 | 1.220 | 2,926,371 | 3135G0ZA4 | 26248 | 2,943,310 |
| Federal Home Loan Ba | USB | 3,615,000 | 1.540 | 06/30/2017 | 3,613,952 | 06/05/2020 | 674 | 1.550 | 3,540,423 | 3130ABJQ0 | 26440 | 3,614,340 |
| Federal National Mtg | UBOC | 3,000,000 | 1.300 | 06/30/2016 | 3,000,000 | 06/30/2020 | 699 | 1.300 | 2,922,660 | 3136G3UJ2 | 26341 | 3,000,000 |
| | **Fund Total and Average** | **$ 11,281,927** | 1.615 | | **$ 11,346,021** | | **454** | **1.448** | **$ 11,123,381** | | | **$ 11,291,577** |
| | **GRAND TOTALS:** | **$ 27,943,805** | 2.000 | | **$ 28,207,416** | | **644** | **1.633** | **$ 27,523,691.** | | | **$ 28,072,567** |

***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 07/31/2018**

**Investment #26337 FFCB Callable anytime**

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# Commission Staff Report

August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**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** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify* _____

_____

**SR: 191:18**

**RECOMMENDATION:**

Note and file report by all members for the disposal of 3 copy machines and scrap metal.

**BACKGROUND**:

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

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

| Property Description | Quantity | *Method of Disposal | Net Cost From Disposal | |
|---|---|---|---|---|
| Sharp copy machines | 3 | S | $ | 0.00 |
| Scrap metal | | S | $ | (59.00) |
| | | | $ | |
| | | | | |
| | | Total | $ | (59.00) |

* 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

Attachments:
- Declarations of Surplus

**SR: 191:18**

NCPA

**NORTHERN CALIFORNIA POWER AGENCY**
**DECLARATION OF EXCESS**

**Date:** 6/26/18

| | QTY | U/M* | DESCRIPTION (Including All Applicable Model #'s, LCNs & VINs) | COND** | ESTIMATED VALUE UNIT | ESTIMATED VALUE TOTAL | NCPA Property# / Stock # / Fleet # or Project # | SITE LOCATION |
|---|---|---|---|---|---|---|---|---|
| 1. | 3 | | Sharp Copy Machines | S | | | | LEC/CT2 |
| 2. | | | | | | | | |
| 3. | | | | | | | | |
| 4. | | | | | | | | |
| 5. | | | | | | | | |
| 6. | | | | | | | | |
| 7. | | | | | | | | |
| 8. | | | | | | | | |
| 9. | | | | | | | | |

**JUSTIFICATION FOR EXCESS/DISPOSAL:** Scrap – Very old machines, using as trade-in for purchase of replacement copy machines.

**RECOMMENDED DISPOSITION:** Disposal

**PREPARED BY:** Melissa Philpot / Michael DeBortoli Mich DeBo
**ORG.**
**APPROVED BY:** Ken Sp **CODE:**
(ASST. GEN. MANAGER)

**AUTHORIZATION TO PROCEED:** Randy S Howe **DATE:** 7/3/18
(GENERAL MANAGER)

____ PUBLIC SALE ____ PRIVATE SALE
_X_ DISPOSAL - NO NET SCRAP VALUE

*U/M = UNIT OF MEASURE

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

**ORIGINAL TO TREASURER-CONTROLLER**

# Lathrop

**17300 Murphy Parkway**
**Lathrop, CA 95330**

**Customer:** 200211

Northern California Power Agency
12745 North Thornton Road
Lodi, CA 95242

# Service Call Ticket

**Work Order No:** 277956
**Service Call No:** 326795
**Technician:** Unassigned
**Sales Rep:** Robert Phene
**Equip No:** 63160
**Serial No:** 7508237Y
**Item:** MX-3501N/Sharp MX-3501N Document System
**Make/Model:** Sharp/MX-3501
**Hours:** 8:00:00AM - 5:00:00PM
**Location:** Northern California Power Agency
12745 North Thornton Road
Lodi, CA 95242

**Location Notes:**

**Requested by:** Melissa Conrad -- 209-333-6370 x101 -- melissa.conrad@ncpa.com
**Request Received:** 8/7/2018 8:00:00AM
**PO Number:** 42828
**Equip Contact:** Melissa Conrad
**Contact Phone:** 209-333-6370 x101
**Contact Fax:**
**Service Call Type:** Delivery
**Terms:** Net 30 days

**Description:** Customer has clear title & releases the above detailed equipment to Smile Business Products, Inc.
Smile BPI may dispose of such equipment immediately after pick up from the customer's location. CDH
x MC (initial)

**Call Due By:** 8/7/2018 12:00:00PM
**Contract No:** 2286-01A
**Contract Period:**
**Expiration Copies:**
**Contract Type:** Standard Published Maintenance Agreement
**Bill Code:** MA w/Smile Support (No Paper/Staples)
**Job Number:**

Service Date _____
Arrival Time _____
Compl Time _____

Travel Time _____
Begin Odom _____
End Odom _____
Total Mileage _____

| Meter | Prev. Date | Prev. Display | Current Reading |
|---|---|---|---|
| B\W | 06/25/2018 | 86,187 | 86,874 |
| Color | 06/25/2018 | 107,431 | 109,146 |
| Total Count | 06/25/2018 | 193,618 | |

**Work Performed**

Remove remove hard drive and leave with Melissa Conrad. (See attached Release)

☐ PM Performed
☐ On Site
☐ Shop

**Call Status**
☐ Complete
☐ Incomplete
☐ Need Parts

**Parts Used/Needed**

| | | Item Number | Description | Qty | Unit Price | Ext. Price |
|---|---|---|---|---|---|---|
| ☐ Installed | ☐ Order | MX-DEX4 | 8E010386 | 1 | | |
| ☐ Installed | ☐ Order | MX-FXX1 | | 1 | | |
| ☐ Installed | ☐ Order | MX-FNX1 | | 1 | | |
| ☐ Installed | ☐ Order | MX-PKX1 | | 1 | | |
| ☐ Installed | ☐ Order | AR-D5133NT | | 1 | | |
| ☐ Installed | ☐ Order | | | | | |

**Comments**

| | |
|---|---|
| Parts/Supplies | |
| Labor | |
| Travel | |
| Tax | |
| Total | |

**Customer Signature** x _____ Date: 8/7/18

**Technician Signature** _____

# Lathrop

**17300 Murphy Parkway**
**Lathrop, CA 95330**

**Customer:** 200211

Northern California Power Agency
12745 North Thornton Road
Lodi, CA 95242

plw

# Service Call Ticket

**Work Order No:** 277957
**Service Call No:** 326798
**Technician:** Unassigned
**Sales Rep:** Robert Phene
**Equip No:** A1984
**Serial No:** 75035688
**Item:** MX-3501N/Sharp MX-3501N Document System
**Make/Model:** Sharp/MX-3501
**Hours:** 8:00:00AM - 5:00:00PM
**Location:** Northern California Power Agency
12745 North Thornton Road
Lodi, CA 95242

**Location Notes:** Melissa Philpot's Office

**Requested by:** Melissa Conrad -- 209-333-6370 x101 -- melissa.conrad@ncpa.com
**Request Received:** 8/7/2018 8:00:00AM
**PO Number:** 42828
**Equip Contact:** Melissa Conrad
**Contact Phone:** 209-333-6370 x101
**Contact Fax:**
**Service Call Type:** Delivery
**Terms:** Net 30 days

**Description:** Customer has clear title & releases the above detailed equipment to Smile Business Products, Inc.
Smile BPI may dispose of such equipment immediately after pick up from the customer's location. CDH
x JMC (initial)

**Call Due By:** 8/7/2018 12:00:00PM
**Contract No:** 2286-01A
**Contract Period:**
**Expiration Copies:**
**Contract Type:** Standard Published Maintenance Agreement
**Bill Code:** MA w/Smile Support (No Paper/Staples)
**Job Number:**

Service Date _____
Arrival Time _____
Compl Time _____

Travel Time _____
Begin Odom _____
End Odom _____
Total Mileage _____

| Meter | Prev. Date | Prev. Display | Current Reading |
|---|---|---|---|
| B\W | 11/19/2010 | 73,055,688 | 175,852 78561 |

**Work Performed**

Remove remove hard drive and leave with Melissa Conrad. (See attached Release)

- ☐ PM Performed
- ☐ On Site
- ☐ Shop

**Call Status**

- ☐ Complete
- ☐ Incomplete
- ☐ Need Parts

**Parts Used/Needed**

| | | Item Number | Description | Qty | Unit Price | Ext. Price |
|---|---|---|---|---|---|---|
| ☐ Installed | ☐ Order | MX-DEX4 | 8E004101 | 1 | | |
| ☐ Installed | ☐ Order | AR-D5133NT | | 1 | | |
| ☐ Installed | ☐ Order | | | | | |
| ☐ Installed | ☐ Order | | | | | |
| ☐ Installed | ☐ Order | | | | | |
| ☐ Installed | ☐ Order | | | | | |

**Comments**

| | |
|---|---|
| Parts/Supplies | |
| Labor | |
| Travel | |
| Tax | |
| Total | |

**Customer Signature** _____ Date: 8/7/18

**Technician Signature** _____

# Lathrop

**17300 Murphy Parkway**
**Lathrop, CA 95330**

**Customer:** 200211

Northern California Power Agency
12745 North Thornton Road
Lodi, CA 95242

plv

# Service Call Ticket

**Work Order No:** 277953
**Service Call No:** 326792
**Technician:** Unassigned
**Sales Rep:** Robert Phene
**Equip No:** 63448
**Serial No:** 85073828
**Item:** MX-3501N/Sharp MX-3501N Document System
**Make/Model:** Sharp/MX-3501
**Hours:** 8:00:00AM - 5:00:00PM
**Location:** Northern California Power Agency
12745 North Thornton Road
Lodi, CA 95242

**Location Notes:**

**Requested by:** Melissa Conrad -- 209-333-6370 x101 -- melissa.conrad@ncpa.com
**Request Received:** 8/7/2018 8:00:00AM
**PO Number:** 42828
**Equip Contact:** Melissa Conrad
**Contact Phone:** 209-333-6370 x101
**Contact Fax:**
**Service Call Type:** Delivery
**Terms:** Net 30 days

**Description:** Customer has clear title & releases the above detailed equipment to Smile Business Products, Inc.
Smile BPI may dispose of such equipment immediately after pick up from the customer's location. CDH
x MC (initial)

**Call Due By:** 8/7/2018 12:00:00PM
**Contract No:** 2286-01A
**Contract Period:**
**Expiration Copies:**
**Contract Type:** Standard Published Maintenance Agreement
**Bill Code:** MA w/Smile Support (No Paper/Staples)
**Job Number:**

Service Date _____
Arrival Time _____
Compl Time _____

Travel Time _____
Begin Odom _____
End Odom _____
Total Mileage _____

| Meter | Prev. Date | Prev. Display | Current Reading |
|---|---|---|---|
| B\W | 06/25/2018 | 76,192 | 77,053 |
| Color | 06/25/2018 | 106,282 | 108,256 |
| Total Count | 06/25/2018 | 182,474 | |

**Work Performed**

Remove remove hard drive and leave with Melissa Conrad. (See attached Release)

☐ PM Performed
☐ On Site
☐ Shop

**Call Status**
☐ Complete
☐ Incomplete
☐ Need Parts

**Parts Used/Needed**

| | | Item Number | Description | Qty | Unit Price | Ext. Price |
|---|---|---|---|---|---|---|
| ☐ Installed | ☐ Order | MX-DEX4 | 6E01513X | 1 | | |
| ☐ Installed | ☐ Order | MX-FNX1 | | 1 | | |
| ☐ Installed | ☐ Order | MX-PKX1 | | 1 | | |
| ☐ Installed | ☐ Order | MX-FXX1 | | 1 | | |
| ☐ Installed | ☐ Order | AR-D5133NT | | 1 | | |
| ☐ Installed | ☐ Order | | | | | |

**Comments**

| | |
|---|---|
| Parts/Supplies | |
| Labor | |
| Travel | |
| Tax | |
| Total | |

**Customer Signature** _____ Date: 8/7/18

**Technician Signature** _____

Northern California Power Agency
12745 North Thornton Road
Lodi, CA 95242

I acknowledge that Smile Business Products, Inc. has removed the hard drives from our Sharp MX-3501N / 85073828, Sharp MX-3501 / 7508237Y and Sharp MX-3501N / 75035688 copiers and the hard drives are now in my possession. I release Smile Business Products, Inc. of all liability associated with the hard drives.

X: _____ 8/7/18
(Customer Signature) (Title)

X: Melissa Conrad 8/7/18
(Printed Name) (Date)

NCPA

**NORTHERN CALIFORNIA POWER AGENCY**
**DECLARATION OF EXCESS**

**Date:** 4/25/18

| | QTY | U/M* | DESCRIPTION (Including All Applicable Model #'s, LCNs & VINs) | COND** | ESTIMATED VALUE UNIT | ESTIMATED VALUE TOTAL | NCPA Property# / Stock # / Fleet # or Project # | SITE LOCATION |
|---|---|---|---|---|---|---|---|---|
| 1. | 1 | | Scrap Metal | S | | | | LEC/CT2 |
| 2. | | | | | | | | |
| 3. | | | | | | | | |
| 4. | | | | | | | | |
| 5. | | | | | | | | |
| 6. | | | | | | | | |
| 7. | | | | | | | | |
| 8. | | | | | | | | |
| 9. | | | | | | | | |

**JUSTIFICATION FOR EXCESS/DISPOSAL:** Scrap

**RECOMMENDED DISPOSITION:** Disposal

**PREPARED BY:** Melissa Philpot / Michael DeBortoli MDB
**ORG.**
**APPROVED BY:** _____ **CODE:** _____
(ASST. GEN. MANAGER)
**AUTHORIZATION TO PROCEED:** _____ **DATE:** 4/26/18
(GENERAL MANAGER)

____ PUBLIC SALE ____ PRIVATE SALE
__X__ DISPOSAL - NO NET SCRAP VALUE

*U/M = UNIT OF MEASURE

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

**ORIGINAL TO TREASURER-CONTROLLER**


NOT
AN EXIT
SCRAP METAL ONLY
CAUTION
WRIGHT SELF
DUMPING HOPPER

A PUBLIC AGENCY
NCPA
NORTHERN CALIFORNIA POWER AGENCY

Date: 5/2/18

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

- Scrap Metal

To the following:

Vendor Name: V&E Hauling / Vincente Gonzales

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

Signature: _____

Northern California Power Agency

Employee Name: Melissa Philpot

Signature: Melissa Philpot

Monies Received for this?

✓ YES ($59—) (50% of total, rounded)

_____ NO

# CASH DISBURSEMENT RECEIPT

# Receipt # 008817

Receipt Date: 05/02/18 10:02am

WS - Stockton, CA
1000 South Aurora St
Stockton, CA 95206

Purchased From: 118148
Gonzalez, Vicente
625 E Harold
Lodi, CA 95240

| Ticket# | Ship Dt | Commodity | | Price | UM | Frt | Ext Total | Amt |
|---|---|---|---|---|---|---|---|---|
| TCRVDG | 05/02/18 | #1 HMS | | 170.0000 | NT | 0.00 | | 91.81 |
| | Veh#: TK 8J84881 | | Weights: | 7880g | | 6780t | | 1080n |
| ZAKRDH | 05/02/18 | MIXED Medium /SMALL | | 0.1200 | LB | 0.00 | | 1.88 |
| | Veh#: | | Weights: | 295g | | 281t | | 14n |
| ZAKRDH | 05/02/18 | 18-8/304 SS SOLIDS | | 0.4800 | LB | 0.00 | | 24.96 |
| | Veh#: | | Weights: | 281g | | 229t | | 52n |
| Supplier 118148 Totals (Pounds): | | | | 8436g | | 7290t | | 1146n |

TOTAL AMOUNT PAID TO SUPPLIER (ATM): $118.45

Cashier Signature _____
(Angie Ibarra)

Customer Signature _____

(All weights are reported in Pounds unless otherwise indicated)
("n" Represents a weight that was manually entered)

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

BILL OF SALE: I warrant that I am the owner (or owner's representative) of the material described hereon and have the right to sell same, that it contains no Hazardous Materials as defined by any federal or state law and that for payment hereby received, I sell and convey title to Sims Metal.
HOLD HARMLESS AGREEMENT: Seller will indemnify and hold buyer harmless from damages, demands and liabilities, including reasonable attorney's fees, resulting from the breach of any warranty hereunder and driver agrees to be responsible for damage to vehicle during unloading.
NOT REFUNDABLE MORE THAN 90 DAYS FROM DATE ABOVE

CUSTOMER COPY

NOT REFUNDABLE MORE THAN 90 DAYS FROM DATE ABOVE

Customer Copy

13

# Commission Staff Report

August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Debt and Interest Rate Management Report – June 30, 2018

**AGENDA CATEGORY:** Consent

| | | |
|---|---|---|
| **FROM:** | Monty Hanks<br>Assistant General Manager/CFO | **METHOD OF SELECTION:**<br>*N/A* |
| Division: | Administrative Services | |
| Department: | Accounting & Finance | |

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify*

_____

_____

## RECOMMENDATION:

It is recommended the Commission accept the Debt and Interest Rate Management Report for the period ending June 30, 2018.

## BACKGROUND:

In accordance with the Debt and Interest Rate Management Policy, Section 20, *Monitoring and Reporting Requirements*, approved by the Commission in May 2017, the Finance team will provide a written report regarding the status of all fixed and variable rate debt and the Agency's interest rate swaps on a semi-annual basis to the Finance Committee and to the Commission.

The report, for the period ending June 30, 2018, is attached for your information and acceptance. Listed below is a summary of the report.

Fixed Rate Debt
While no new fixed rate debt was issued, staff refunded the 2008 Hydroelectric Series C bonds. Final refunding numbers for project participants include the following:

- Net Present Value (NPV) savings: $7.6 million through final maturity of 2024
- Percentage savings of refunded bonds: 10%
- Average annual savings: approx. $1.37 million per year

Other highlights are included in the attached report.

Variable Rate Debt
The Agency has a total of $86.4 million of outstanding variable rate debt ($85.16 million for Hydro 2008 Series A and $1.24 million Hydro 2008 Series B). The Agency's variable rate debt is structured with a Letter of Credit with the Bank of Montreal. On average, the reset rates continue to trade at or better than the Securities Industry and Financial Markets Association (SIFMA) for the Series A bonds (tax-exempt) and 1-month London Interbank Offered Rate (LIBOR) for Series B bonds (taxable). The reset rates and index comparisons are included in the attached report.

Interest Rate Swaps
As of June 30, 2018, NCPA had $86.2 million of outstanding swaps, all related to the Hydroelectric Project bonds, which act as a hedge against the variable rate debt. The total market value of the interest rate swaps was a net liability of $13.767 million (negative). This amount has improved from the December 31, 2017 net liability of $16.995 million (negative) due to a rise in interest rates and time value. No new swaps or defaults have occurred in the last six months. The interest rate swaps make up approximately 27% of the outstanding Hydroelectric Project debt portfolio. Additional details of the swap agreements are provided in the attached report.

Counterparties
The counterparty for both interest rate swaps is Citibank, N.A. The credit ratings for Citibank, N.A., are A+/A1/A+ by S&P, Moody's, and Fitch, respective. There have been no changes since the last report.

Rating Changes

In February 2018, Fitch Ratings notified NCPA that they were upgrading the Hydro project bonds resulting from a meeting pertaining to the refunding of the 2008 Hydroelectric bonds. Fitch's rating committee decided to:

- Upgrade the rating on NCPA's Hydroelectric Revenue Bonds to AA- from A+ with a rating outlook of stable.

**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, 2018 was $6.0 million with actual results at $10.1 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 $4.1 million. Staff continues to monitor the potential for refinancing these bonds and terminating the swaps, however, the large mark-to-market payment due to Citibank, N.A. of over $13.767 million (net) is making a potential refund not a feasible option at this time.

**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 August 14, 2018 and was recommended for Commission acceptance.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments:
- Debt and Interest Rate Management Report as of 6-30-2018

**SR: 190:18**




# Debt and Interest Rate Management Report

## As of June 30, 2018

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# Key Highlights

- In March 2018, staff refunded the 2008 Hydroelectric, Series C bonds generating $7.6 million of Net Present Value savings (~$1.37 million annually) for project participants.
- No negative material changes to any fixed or variable rate debt or outstanding swap agreements occurred since the last report.
- In February 2018, Fitch Ratings upgraded the rating on NCPA's Hydroelectric Revenue Bonds to AA- from A+ with a rating outlook of stable.
- No defaults under the above swap agreements, fixed rate or variable rate debt have occurred.
- Counterparty rating remained the same; no collateral posting by the counterparty has been required and the counterparty remains highly rated.
- The MTM* on the outstanding swaps changed from a negative value of $17.0 million on December 29, 2017 to a negative value of $13.8 million on June 29, 2018.

* Doesn't reflect the GASB 72 Fair Value risk profile of NCPA. This calculation is done at fiscal year-end.

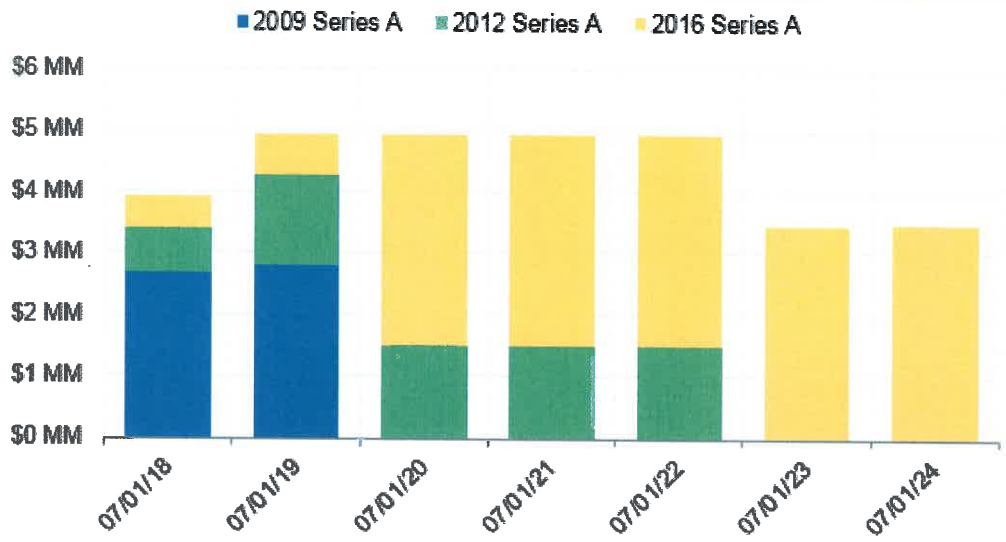
# DEBT OVERVIEW BY PROJECT

# Geothermal Project Debt Overview

## Geothermal Project Participation Percentages

| Member | Entitlement Share (%) | Beneficiary Share (%) |
|---|---|---|
| Alameda | 16.8825 | 16.8825 |
| Biggs | 0.2270 | 0.2270 |
| Gridley | 0.3950 | 0.3360 |
| Healdsburg | 3.6740 | 3.6740 |
| Lodi | 10.2800 | 10.2800 |
| Lompoc | 3.6810 | 3.6810 |
| Palo Alto | 6.1580 | 0.0000 |
| Plumas-Sierra | 0.8145 | 0.7010 |
| Roseville | 7.8830 | 7.8830 |
| Santa Clara | 44.3905 | 44.3905 |
| TID | 0.0000 | 6.3305 |
| Ukiah | 5.6145 | 5.6145 |

## Geothermal Project Debt Service




## Summary of Outstanding Geothermal Project Debt

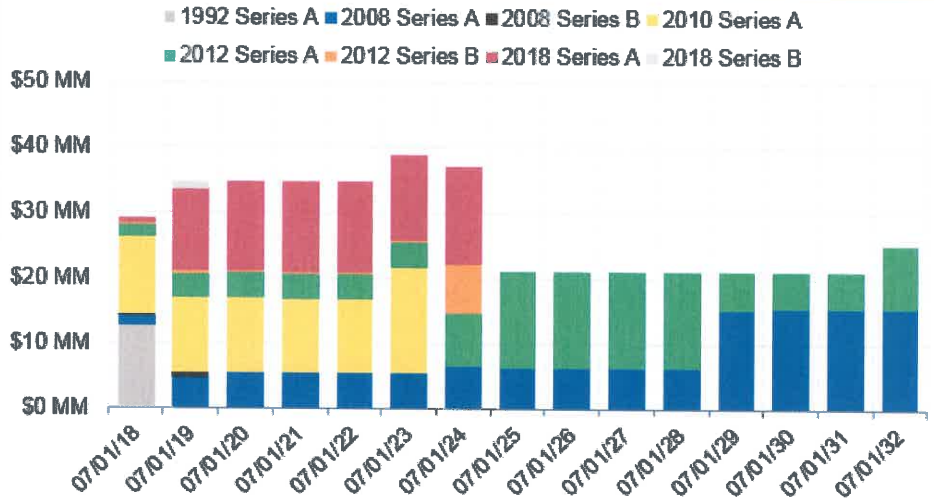
**Ratings (M/S/F): A1/A-/A+, Stable Outlooks**

| Series | Tax Status | Coupon Type | Issue Size | Outstanding Par | Coupon Range | Call Date | Final Maturity |
|---|---|---|---|---|---|---|---|
| 2009 Series A | Tax-Exempt | Fixed-Rate | $35,610,000 | $5,220,000 | 5.000% | - | 7/1/2019 |
| 2012 Series A | Tax-Exempt | Fixed-Rate | $12,910,000 | $6,285,000 | 2.289% | 7/1/2017 | 7/1/2022 |
| 2016 Series A | Tax-Exempt | Fixed-Rate | $17,530,000 | $17,265,000 | 1.670% | - | 7/1/2024 |

# Hydroelectric Project Debt Overview

| Hydroelectric Project Participation Percentages | |
|---|---|
| **Member** | **Entitlement Share (%)** |
| Alameda | 10.000 |
| Biggs | 0.100 |
| Gridley | 1.060 |
| Healdsburg | 1.660 |
| Lodi | 10.370 |
| Lompoc | 2.300 |
| Palo Alto | 22.920 |
| Roseville | 12.000 |
| Santa Clara | 35.860 |
| Ukiah | 2.040 |
| Plumas-Sierra | 1.690 |

**Hydroelectric Project Debt Service**




**Summary of Outstanding Hydroelectric Project Debt**

**Ratings (M/S/F): Aa3/-/AA-, Stable Outlooks**

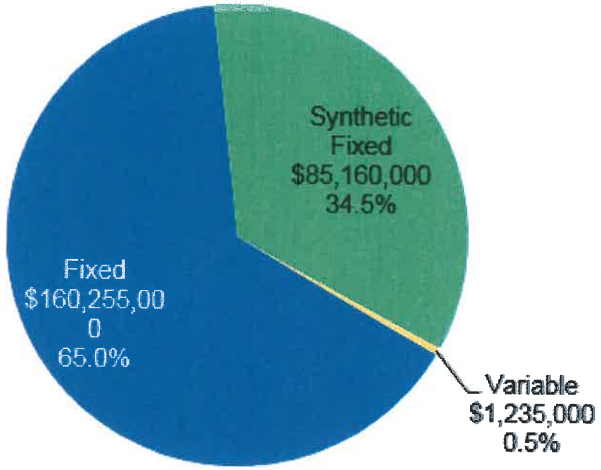
| Series | Tax Status | Coupon Type | Issue Size | Outstanding Par | Coupon Range | Call Date | Final Maturity |
|---|---|---|---|---|---|---|---|
| 1992 Series A | Tax-Exempt | Fixed-Rate | $195,610,000 | $12,155,000 | 6.300% | Non-Callable | 7/1/2018 |
| 2008 Series A | Tax-Exempt | Variable-Rate | $85,160,000 | $85,160,000 | Var. (3.819%) (S) | Current | 7/1/2032 |
| 2008 Series B | Taxable | Variable-Rate | $3,165,000 | $1,235,000 | Variable (V) | Current | 7/1/2020 |
| 2010 Series A | Tax-Exempt | Fixed-Rate | $101,260,000 | $62,975,000 | 5.000% | 7/1/2019 | 7/1/2023 |
| 2012 Series A | Tax-Exempt | Fixed-Rate | $76,665,000 | $76,665,000 | 5.000% | 7/1/2022 | 7/1/2032 |
| 2012 Series B | Taxable | Fixed-Rate | $7,120,000 | $7,120,000 | 4.320% | Make-Whole | 7/1/2024 |
| 2018 Series A | Tax-Exempt | Fixed-Rate | $68,875,000 | $68,875,000 | 5.000% | Non-Callable | 7/1/2024 |
| 2018 Series B | Taxable | Fixed-Rate | $1,340,000 | $1,340,000 | 2.350% | Non-Callable | 7/1/2019 |

# Hydroelectric Project Debt Overview

| Hydroelectric Project Swap Summary | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Series** | **NCPA Pays** | **NCPA Receives** | **Trade Date** | **Effective Date** | **Maturity Date** | **MTM Value *(As of 6/29/18)*** | **Initial Notional** | **Current Notional** | **Bank Counterparty** |
| 2008 Series A | 3.8190% | 54% of USD-LIBOR + 0.54% | 11/24/04 | 11/24/04 | 7/1/32 | ($13,928,704) | $85,160,000 | $85,160,000 | Citibank, N.A., New York (A1/A+/A+) |
| 2008 Series B | USD-LIBOR | 5.2910% | 11/24/04 | 11/24/04 | 7/1/32 | $161,739 | $1,574,000 | $1,073,895 | Citibank, N.A., New York (A1/A+/A+) |

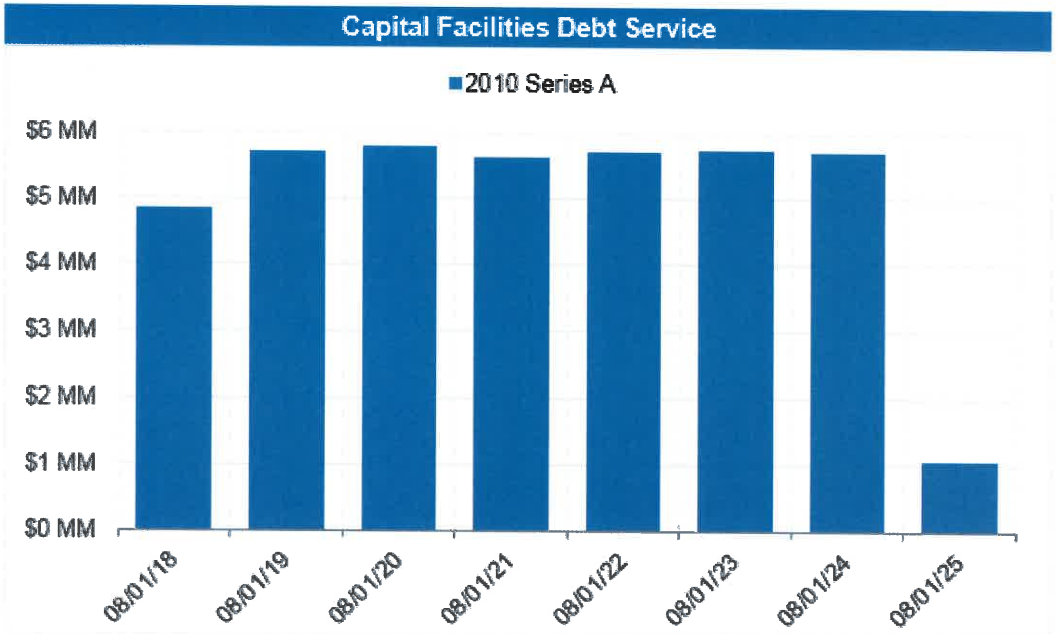
| Hydroelectric Project Liquidity Summary | | | |
|---|---|---|---|
| **Series** | **LOC Provider** | **LOC Expiry** | **Reset (as of 06/26/18)** |
| 2008 Series A | Bank of Montreal (A1/A+/AA-) | September 09, 2019 | 1.30% |
| 2008 Series B | Bank of Montreal (A1/A+/AA-) | September 09, 2019 | 2.05% |

**Breakdown of Hydroelectric Project Debt Type**



# Capital Facilities Debt Overview

| Capital Facilities Participation Percentages | |
|---|---|
| **Member** | **Entitlement Share (%)** |
| Alameda | 19.00 |
| Lodi | 39.50 |
| Lompoc | 5.00 |
| Roseville | 36.50 |




**Summary of Outstanding Capital Facilities Debt**

**Ratings (M/S/F): A2/A-/ , Stable Outlooks**

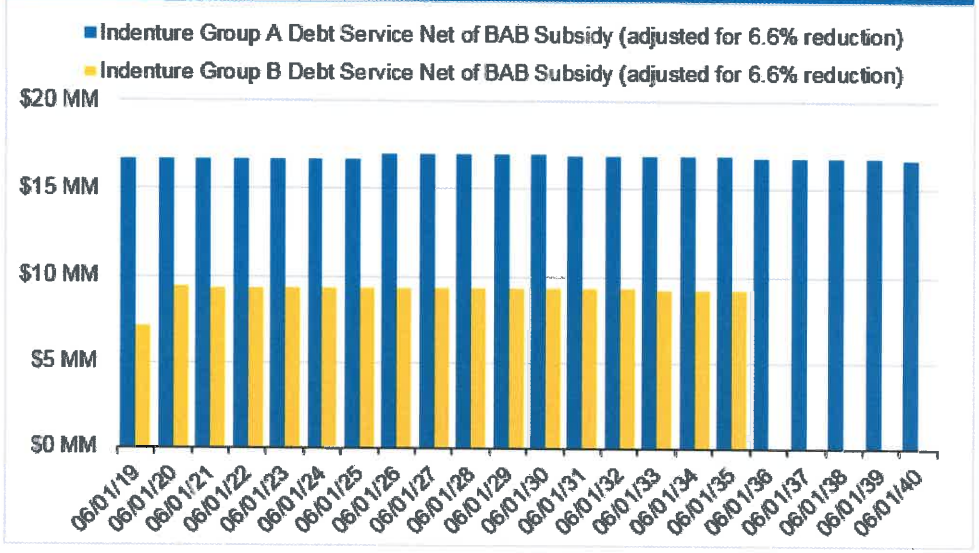
| Series | Tax Status | Coupon Type | Issue Size | Outstanding Par | Coupon Range | Call Date | Final Maturity |
|---|---|---|---|---|---|---|---|
| 2010 Series A | Tax-Exempt | Fixed-Rate | $55,120,000 | $33,640,000 | 4.000% - 5.250% | 2/1/2020 | 8/1/2025 |

# Lodi Energy Center Debt Overview

**LEC Participation Percentages**

| Member | Entitlement Share (%) | Ind. Group A Cost Share (%) |
|---|---|---|
| CDWR | 33.5000 | - |
| Azusa | 2.7857 | 4.9936 |
| Biggs | 0.2679 | 0.4802 |
| Gridley | 1.9643 | 3.5212 |
| Healdsburg | 1.6428 | 2.9448 |
| Lodi | 9.5000 | 17.0295 |
| Lompoc | 2.0357 | 3.6491 |
| Santa Clara | 25.7500 | 46.1588 |
| Ukiah | 1.7857 | 3.2010 |
| MID | 10.7143 | - |
| Plumas-Sierra | 0.7857 | 1.4084 |
| PWRPA | 2.6679 | 4.7824 |
| SFBART | 6.6000 | 11.8310 |

**Lodi Energy Center Debt Service**




**Summary of Outstanding Lodi Energy Center Debt**

| Series | Tax Status | Coupon Type | Issue Size | Outstanding Par | Coupon Range | Next Call | Final Maturity |
|---|---|---|---|---|---|---|---|
| **Indenture Group A \| Ratings (M/S/F): A1/A-/A, Stable Outlooks** | | | | | | | |
| 2010 Series A | Tax-Exempt | Fixed-Rate | $78,330,000 | $12,125,000 | 5.000% | 6/1/2020 | 6/1/2020 |
| 2010 Series B | Taxable BABs | Fixed-Rate | $176,625,000 | $176,625,000 | 7.311% (T) | Make-Whole | 6/1/2040 |
| 2017 Series A | Tax-Exempt | Fixed-Rate | $38,635,000 | $38,970,000 | 2.270% | - | 6/1/2025 |
| **Indenture Group B—CADWR \| Ratings (M/SF): Aa2/AAA/ , Stable Outlooks** | | | | | | | |
| 2010 Series A | Tax-Exempt | Fixed-Rate | $30,540,000 | $4,960,000 | 5.000% | Non-Callable | 6/1/2019 |
| 2010 Series B | Taxable BABs | Fixed-Rate | $110,225,000 | $110,225,000 | 4.630%-5.679% (T) | Make-Whole | 6/1/2035 |

(T) *Taxable Build America Bonds; Interest rate gross of BAB subsidy*

# FIXED RATE DEBT OVERVIEW

# Fixed Rate Debt Overview

- While no new fixed rate debt was issued, staff refunded the 2008 Hydroelectric Series C bonds. Final numbers for the project participants include the following:
  - NPV Savings: $7.6 million through final maturity of 2024
  - Percentage savings of refunded bonds: 10%
  - Average annual savings: approx. $1.37 million per year
- February 2018, Fitch Ratings:
  - Upgraded the rating on NCPA's Hydroelectric Revenue Bonds to AA- from A+ with a rating outlook of stable

# VARIABLE RATE DEBT OVERVIEW

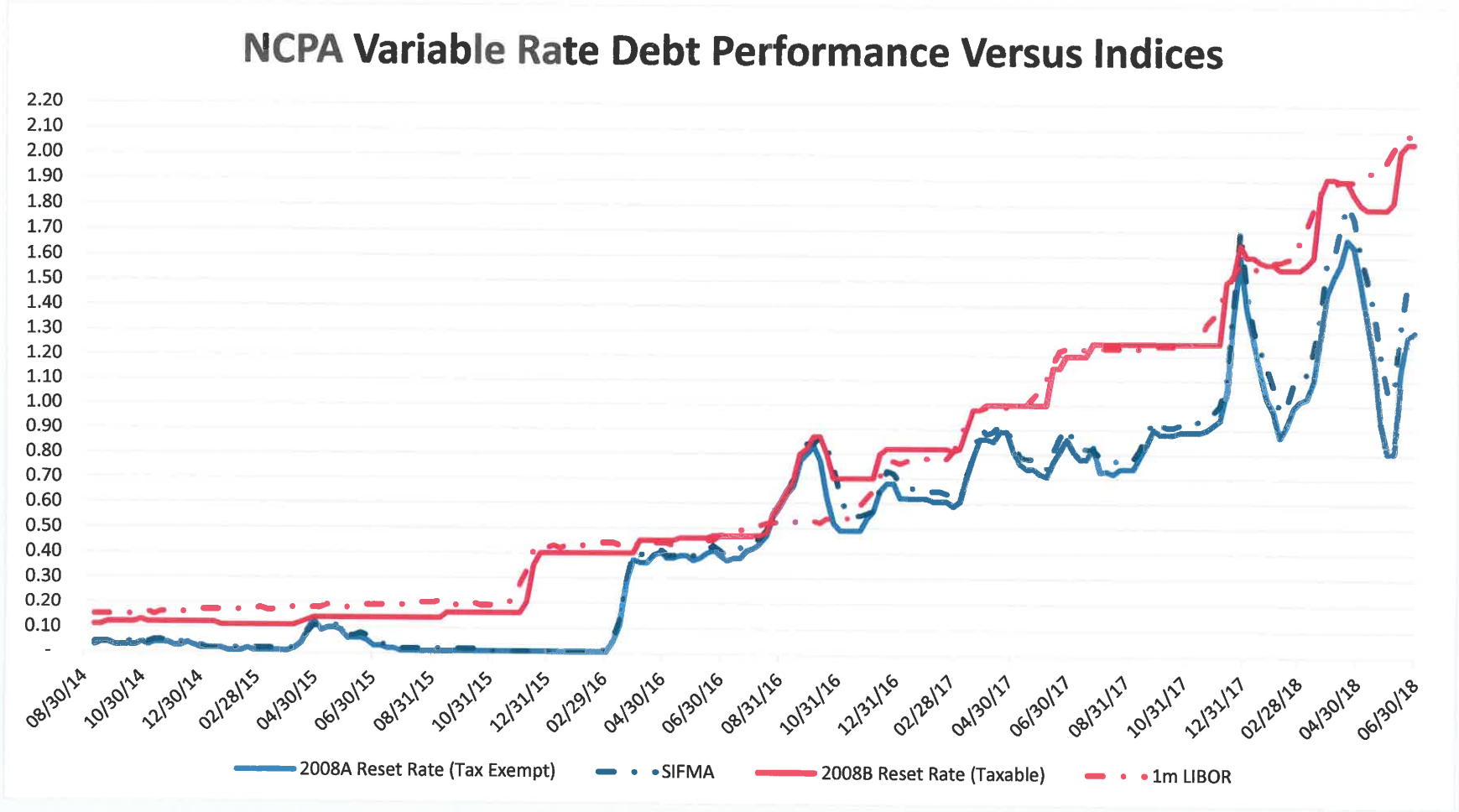
# Variable Rate Debt Overview

| | Hydro 2008A | Hydro 2008B |
|---|---|---|
| Variable Rate Debt | | |
| Amount | $85,160,000 | $1,574,000 |
| Priced | Weekly | Weekly |
| Payment | Monthly | Monthly |
| Swap Counter-party: | Citigroup | Citigroup |
| Payments | NCPA Pays Fixed @ 3.819% | NCPA Receives Fixed @ 5.291% |
| From/To: Counterparty | NCPA Receives Floating rate (based on 54% of monthly Libor+.54%) | NCPA Pays Floating rate (based on monthly Libor) |
| Payment terms: | | |
| NCPA | Semi-Annual (net) | Semi-Annual (net) |
| Counterparty | Semi-Annual (net) | Semi-Annual (net) |
| Liquidity/Letter of Credit Provider [1] | Bank of Montreal | Bank of Montreal |
| Annual Fee | 39.0 bp | 39.0 bp |
| Expiration Date | 9/9/2019 | 9/9/2019 |
| Credit Ratings [2] | A1/A+/AA- | A1/A+/AA- |

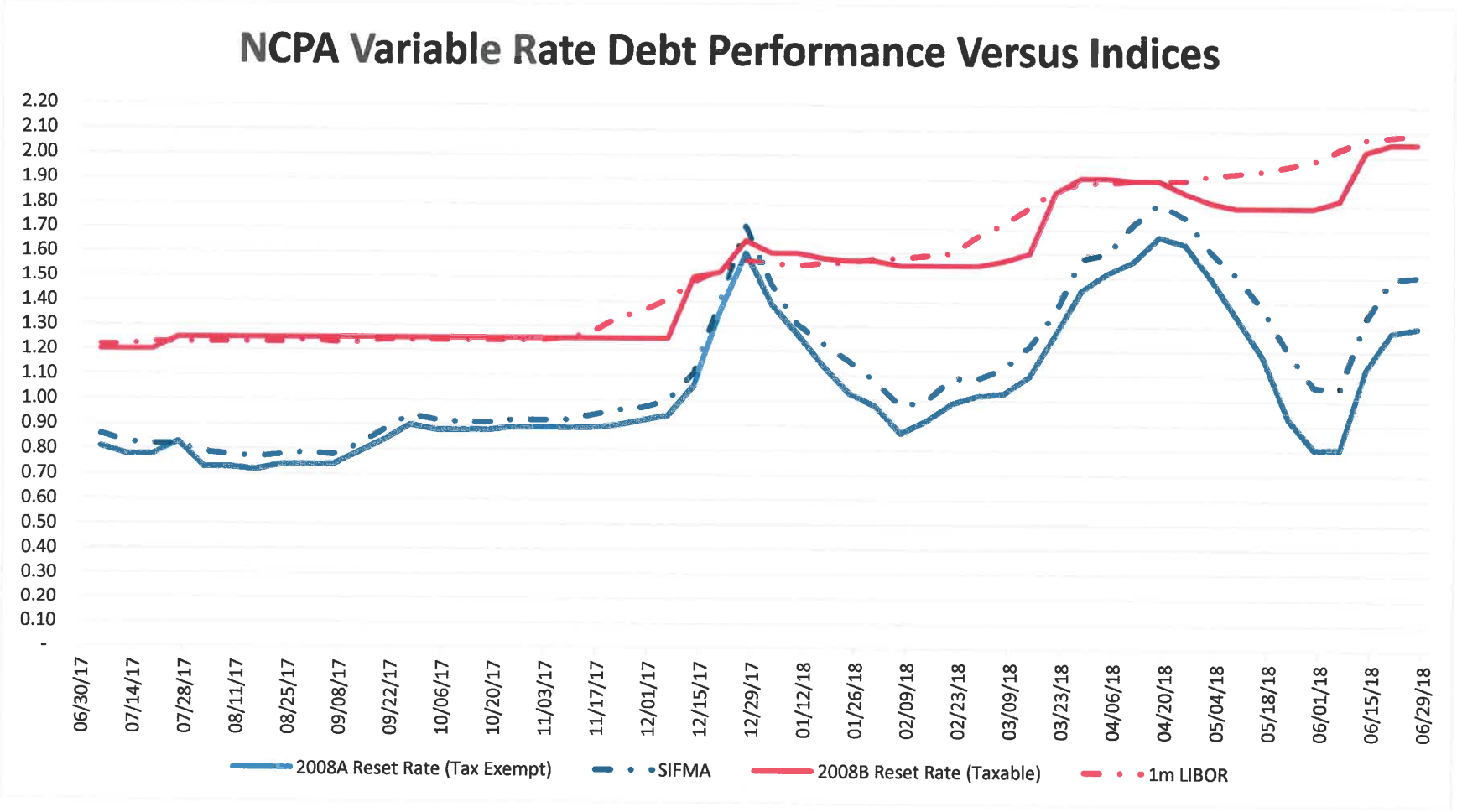
[1] Effective 9/10/14 Citibank N.A. was replaced as the LOC provider with Bank of Montreal.

[2] Effective 5/10/17 Moody's downgraded the Bank of Montreal from Aa3 to A1

# Variable Rate Debt Overview

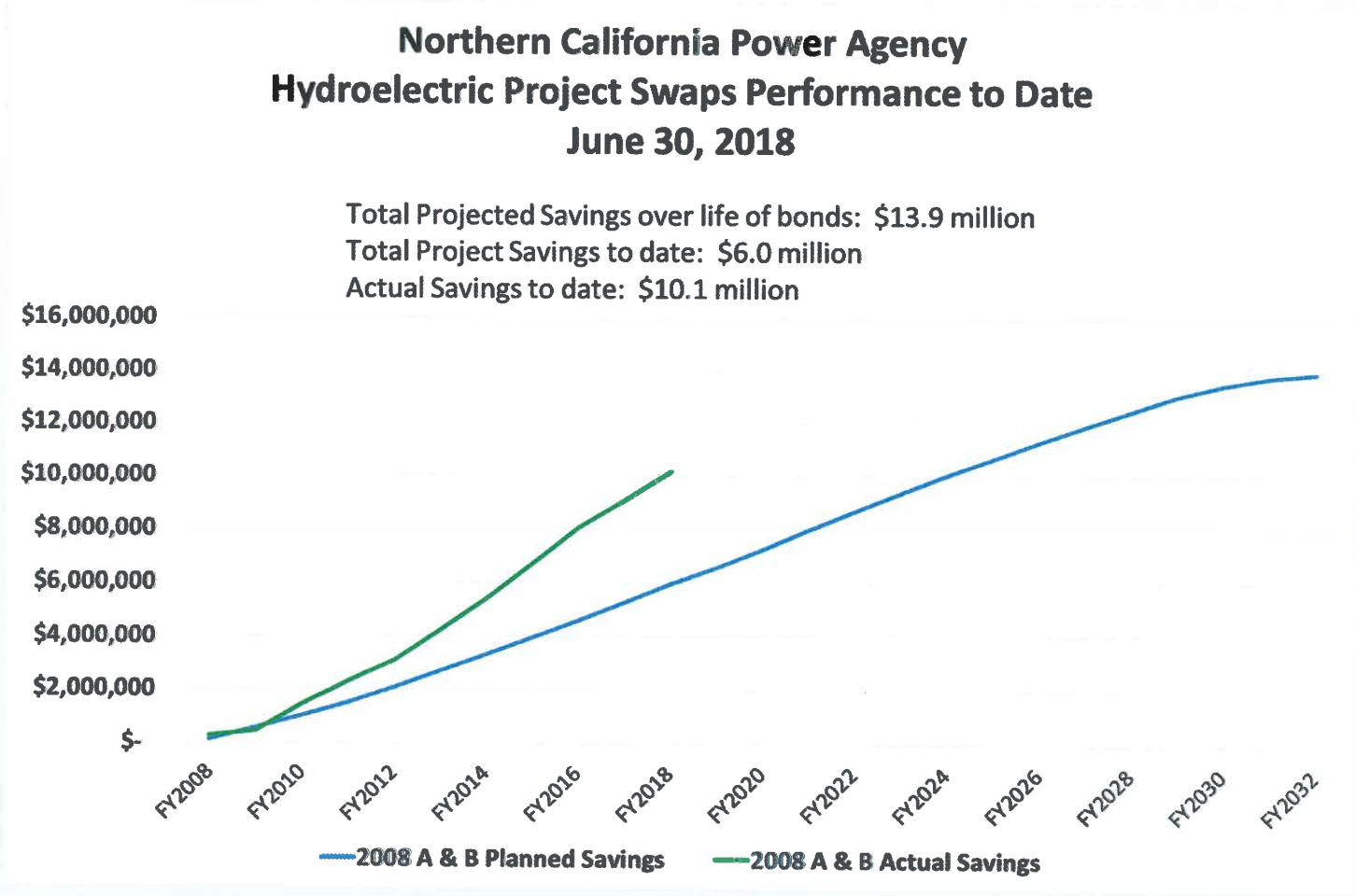


# Variable Rate Debt Overview



# INTEREST RATE SWAPS OVERVIEW

# Interest Rate Swaps Overview



# Interest Rate Swaps Overview

PFM Swap Advisors LLC

Phone: 215 567-6100
Fax: 215 567-4180

| Transaction Type | Name | Associated Bonds | Client Pay | Client Receives | Trade Date | Effective Date | Maturity Date |
|---|---|---|---|---|---|---|---|
| Swap | NCPA 200411240001 | Series 2008A | 3.8190% | 54% of USD-LIBOR + 0.54% | 11/24/2004 | 11/24/2004 | 7/1/2032 |
| Swap | NCPA 200411240002 | Series 2008B | USD-LIBOR | 5.2910% | 11/24/2004 | 11/24/2004 | 7/1/2032 |

| Initial Notional | Current Notional | Bank Counterparty | Counterparty Ratings Moody's / S&P / Fitch | MTM Value 6/29/2018 | Impact on MTM Value - 50 bp swing |
|---|---|---|---|---|---|
| $85,160,000 | $85,160,000 | Citibank, N.A., New York | A1 / A+ / A+ | ($13,928,704) | ($11,656,593) |
| $1,574,000 | $1,073,895 | Citibank, N.A., New York | A1 / A+ / A+ | $161,739 | $131,675 |
| $86,734,000 | $86,233,895 | | | ($13,766,965) | ($11,524,918) |

# Interest Rate Swaps Overview

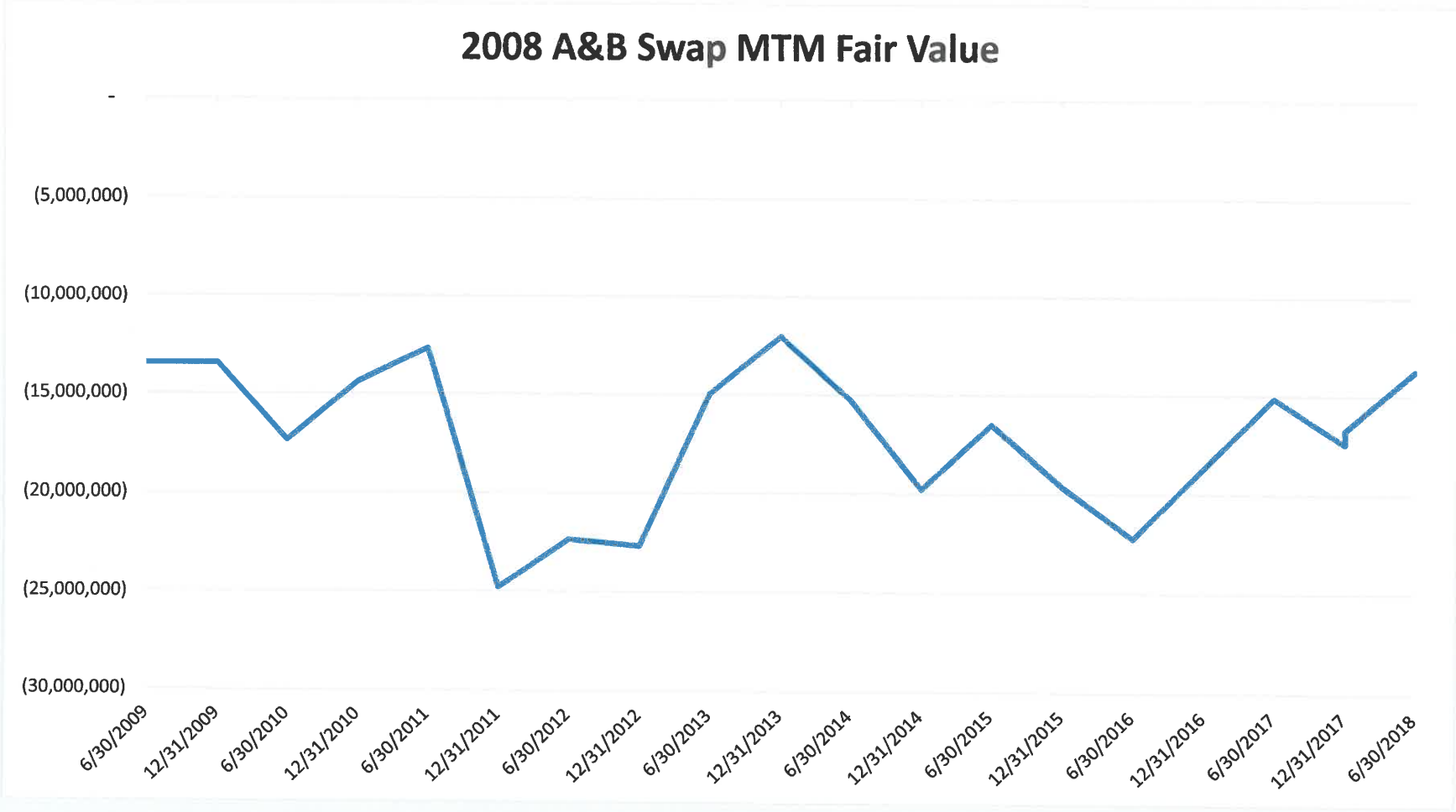
PFM Swap Advisors LLC
Phone: 215 567-6100
Fax: 215 567-4160

| Transaction Type | Name | Associated Bonds | Client Pay | Client Receives | Trade Date | Maturity Date | Current Notional |
|---|---|---|---|---|---|---|---|
| Swap | NCPA 200411240001 | Series 2008A | 3.8190% | 54% of USD-LIBOR + 0.54% | 11/24/2004 | 7/1/2032 | $85,160,000 |
| Swap | NCPA 200411240002 | Series 2008B | USD-LIBOR | 5.2910% | 11/24/2004 | 7/1/2032 | $1,073,895 |
| | | | | | | | $86,233,895 |

| Total MTM Value | Alameda 10% | Healdsburg 1.66% | Lodi 10.37% | Lompoc 2.30% | Palo Alto 22.92% | Plumas-Sierra 1.69% | Roseville 12.00% | Santa Clara 37.02% | Ukiah 2.04% |
|---|---|---|---|---|---|---|---|---|---|
| ($13,928,704) | ($1,392,870) | ($231,216) | ($1,444,407) | ($320,360) | ($3,192,459) | ($235,395) | ($1,671,444) | ($5,156,406) | ($284,146) |
| $161,739 | $16,173.90 | $2,685 | $16,772 | $3,720 | $37,071 | $2,733 | $19,408.68 | $59,876 | $3,299 |
| ($13,766,965) | ($1,376,697) | ($228,532) | ($1,427,634) | ($316,640) | ($3,155,388) | ($232,662) | ($1,652,036) | ($5,096,530) | ($280,846) |

| Total Impact on MTM Value - 50 bp swing | Alameda 10% | Healdsburg 1.66% | Lodi 10.37% | Lompoc 2.30% | Palo Alto 22.92% | Plumas-Sierra 1.69% | Roseville 12.00% | Santa Clara 37.02% | Ukiah 2.04% |
|---|---|---|---|---|---|---|---|---|---|
| ($11,656,593) | ($1,165,659) | ($193,499) | ($1,208,789) | ($268,102) | ($2,671,691) | ($196,996) | ($1,398,791) | ($4,315,271) | ($237,795) |
| $131,675 | $13,168 | $2,186 | $13,655 | $3,029 | $30,180 | $2,225 | $15,801 | $48,746 | $2,686 |
| ($11,524,918) | ($1,152,492) | ($191,314) | ($1,195,134) | ($265,073) | ($2,641,511) | ($194,771) | ($1,382,990) | ($4,266,525) | ($235,108) |

# Interest Rate Swaps Overview



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# Commission Staff Report

August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Amendment to NCPA's Personnel Policy and Procedures Manual

**AGENDA CATEGORY:** Consent

| | | |
|---|---|---|
| **FROM:** | Vicki Cichocki | **METHOD OF SELECTION:** |
| | Human Resources Manager | N/A |
| Division: | Administrative Services | |
| Department: | Human Resources | |

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify*

## RECOMMENDATION:

It is recommended the Commission approve an amendment to NCPA's Personnel Policy and Procedure Manual language adding Policy 406.19, *Time-Off During a State of Emergency,* to address issues with displaced employees caused by such an event.

In addition, it is recommended the Commission approve retroactive use of the policy allowing the General Manager to grant Administrative Paid Leave to the NCPA employees who met a condition of the policy as a result of the Mendocino Complex wildfire.

## BACKGROUND:

The California Code of Regulations (CCR) § 599.785.5 allows employees to be granted paid leave (up to five days) by their appointing power when a state of emergency has been proclaimed by the Governor and the employee meets one of the conditions. A condition for the impacted employee can include the inability to find reasonable routes to work, the emergency presents an immediate and grave peril to the employee or employee's immediate family member, and/or the employee's normal place of business is closed due to the state of emergency.

There have been instances such as the Lake County wildfire or Mendocino Complex wildfire where a state of emergency has been declared by the Governor. These events have impacted the ability for some NCPA employees from working their scheduled shift(s) while dealing with these disasters. The displaced employees are forced to use their vacation or comp time to cover for the time lost.

Staff is recommending to add similar language as provided in the CCR code to NCPA's Personnel Policy and Procedure Manual allowing the General Manager to appoint up to five days of Administrative Paid Leave when a state of emergency has been declared by the Governor and the impacted employee meets one of the conditions outlined in the policy. The purpose is to help provide some relief and stability to the impacted employee dealing with these unfortunate events.

The attached policy language (406.19) was reviewed by the Utility Directors on August 9th and was recommended for Commission approval. In addition, staff has obtained approval of the proposed policy addition with IBEW 1245 and HEA.

## FISCAL IMPACT:

The fiscal impact of approving this policy is difficult to quantify due to the unknown timing, frequency, or number of employees that could be impacted by such an event.

## ENVIRONMENTAL ANALYSIS:

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

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments:
- Resolution 18-71
- Policy 406.19

**SR: 193:18**

**RESOLUTION 18-71**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY AMENDMENTS TO NCPA'S PERSONNEL POLICY AND PROCEDURE MANUAL**

**(reference Staff Report #193:18)**

WHEREAS, NCPA's Personnel Policy and Procedure Manual ("Manual") does not address allowance of Administrative Paid Leave for an employee who works or resides in a county where a state of emergency has been proclaimed by the Governor; and

WHEREAS, an employee is met with a condition that causes them to be unable to work their scheduled shift(s) due to the state of emergency event; and

WHEREAS, adding Policy 406.19, *Time Off During a State of Emergency*, to NCPA's Personnel Policy and Procedure Manual will help address issues with a displaced employee by allowing the General Manager to appoint up to five days of Administrative Paid Leave when specific conditions have been met; and

WHEREAS, authorize the General Manager to retroactively grant Administrative Paid Leave to the NCPA employees who met a condition of the policy as a result of the Mendocino Complex wildfire; and

WHEREAS, NCPA has obtained both IBEW 1245 and HEA approval of the proposed amendments to the Manual; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency adopts the amendment to NCPA's Personnel Policy and Procedure Manual.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2018 by the following vote on roll call:

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

BOB LINGL
CHAIR

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY

406.19 Time Off During a State of Emergency.....

An employee may be authorized paid administrative leave of up to five days, subject to approval by the General Manager, when the employee works or resides in a county where a state of emergency has been proclaimed by the Governor of California and at least one of the following conditions exist:

(1) The employee's normal place of business is closed temporarily, during the employee's normal work shift, due to the effects of the emergency.

(2) The emergency effectively precludes the employee's ability to find a safe route of transportation from the employee's normal residence to the work place.

(3) The emergency presents an immediate and grave peril to the employee's own safety, the safety of an employee's immediate family member or the employee's principal residence.

(4) The employee is actively involved in a formal, organized effort to protect the health and safety of the general public; such as, the employee is a member of the auxiliary fire or police department or the employee is asked by local authorities to assist with sandbagging efforts.

(5) The employee needs to take time off to apply for disaster assistance from the Federal Emergency Management Agency (FEMA) because the employee is unable to apply for assistance before or after the employee's normal work shift.

(6) The employee is and providing volunteer service to fire, police or other emergency services carrying out its responsibilities due to the State of Emergency. Employees providing such volunteer service must notify their Manager, in advance, of their affiliation with the volunteer service(s) and establish prior arrangements regarding notification to their Manager in the event the employee is asked to participate in a state or local disaster response. The Agency shall release the employee to provide volunteer service when such an emergency occurs unless there is a critical Agency operating reason to prevent such a release.

No paid leave of absence shall exceed five work days without the prior approval of the General Manager. Requests for extension of a paid leave of absence beyond five work days must be made in writing, must state which of the applicable emergency conditions applies, and must provide an explanation for why an extension is necessary. Agency management will review and may approve such requests on a case by case basis.

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# Commission Staff Report

Date: August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Titan Crane & Rigging, Inc. – Five Year Multi-Task General Services Agreement for trucking and crane services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

**AGENDA CATEGORY:** Consent

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

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify* _____

_____

**SR: 177:18**

**RECOMMENDATION:**

Approval of Resolution 18-59 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Titan Crane & Rigging, Inc. for trucking and crane services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $500,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

**BACKGROUND**:

Trucking and crane services are required from time to time related to project support at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

**FISCAL IMPACT:**

Upon execution, the total cost of the agreement is not to exceed $500,000.00 to be used out of the NCPA approved budget. 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 similar agreements in place with American Crane (pending), Maxim Crane, OST Trucks & Cranes (pending) and Summit Crane and seeks bids from multiple qualified providers whenever services are needed. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

**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 August 1, 2018, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on August 13, 2018, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Titan Crane & Rigging, Inc.

**SR: 177:18**

**RESOLUTION 18-59**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH TITAN CRANE & RIGGING, INC.**

**(reference Staff Report 177:18)**

WHEREAS, trucking and crane services 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, Titan Crane & Rigging, Inc. is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Titan Crane & Rigging, Inc. to provide such services as needed at all NCPA Generation facility locations, Member, SCPPA, and SCPPA Member facilities in an amount not to exceed $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 with Titan Crane & Rigging, Inc. with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $500,000 for trucking and crane services, 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 _____, 2018 by the following vote on roll call:

| | Vote | Abstained | Absent |
|---|---|---|---|
| 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**
**TITAN CRANE & RIGGING, 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 Titan Crane & Rigging, Inc., a corporation with its office located at P.O. Box 30996, Stockton, CA 95213 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2018 ("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** FIVE HUNDRED THOUSAND dollars ($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
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.** Not Applicable.

**4.4 Pollution Insurance.** Not Applicable.

**4.5 All Policies Requirements.**

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

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

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

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

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

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

## Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

**5.1** **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

**5.2** **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

**5.3** **Transfer of Title.** Not Applicable.

## Section 6. STATUS OF CONTRACTOR.

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

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

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

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

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

**6.3** **Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

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

**6.5** **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

**6.6** **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types

of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

## Section 7. LEGAL REQUIREMENTS.

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

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

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

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

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

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

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding

Bodies, copies of the applicable determination of the Director can be found on the web at: http://www.dir.ca.gov/DLSR/PWD/ and may be reviewed at any time.

Contractor shall 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:

Titan Crane & Rigging, Inc.
Attention: Kelly Thompson
P.O. Box 30996
Stockton, CA 95213

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

**13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

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

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

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

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

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

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

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

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

NORTHERN CALIFORNIA POWER AGENCY

Date_____

_____

**RANDY S. HOWARD,**
General Manager

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

TITAN CRANE & RIGGING, INC.

Date_____

_____

**KELLY THOMPSON,**
President

## EXHIBIT A

## SCOPE OF WORK

Titan Crane & Rigging, Inc. ("Contractor") shall provide truck and crane services, including cranes, trucks, and operators, as requested by the Northern California Power Agency ("Agency") at Facilities owned or operated by NCPA, its Members, Southern California Public Power Authority (SCPPA) and SCPA Members.

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

- Engineering and Project Management for crane rental projects
- Crane and Lift training
- Engineered crane lifts
- Crane rentals and crane rental services
- Rigging services
- Transportation services
- Heavy lifts/heavy transportation services
- On-site evaluations
- Operated and Maintained crane rental
- Base crane rental

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

## EXHIBIT B

## COMPENSATION SCHEDULE AND HOURLY FEES

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

**Operated and Maintained Truck Cranes**

| Crane Size | Main Boom | Jib | Minimum Hours | Crew | Hourly Rate |
|---|---|---|---|---|---|
| 23 Ton Boomtruck | 101' | 29' | 4, 6 or 8 | 1 | $185.00 |
| 40 Ton Rear Mount BoomTruck | 127' | 55' | 4, 6 or 8 | 1 | $215.00 |
| 60 Ton Hyd Truck Crane | 110' | 56' | 4, 6 or 8 | 1 | $250.00 |
| 75 Ton Hyd Truck Crane | 127' | 96' | 4, 6 or 8 | 1 | $265.00 |
| 90 Ton Hyd Truck Crane | 140' | 90' | 8 | 2* | $350.00 |
| 120 Ton Hyd Truck Crane | 130' | 116' | 8 | 2* | $400.00 |
| 150 Ton Hyd Truck Crane | 197' | 72' | 8 | 2 | $450.00 |
| 210 Ton Hyd Truck Crane | 197' | 72' | 8 | 2* | $500.00 |
| 125 Ton Conv Truck Crane | Varies | Varies | 8 | 2* | $350.00 |
| 150 Ton Conv Truck Crane | Varies | Varies | 8 | 2* | $400.00 |

**Additional Trucking for Counterweights, rates quoted per job requirements.

Overtime rates $45/hour for 1 man crew or $90 for 2 man crew

Doubletime rates $90/hour for 1 man crew or $180 for 2 man crew

**Woman Owned Business Enterprise. NWBOC Certified.**

| Labor | Hourly Rate | Overtime | Double Time |
|---|---|---|---|
| Rigger / signal Person | $125.00 | $170.00 | $215.00 |

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

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

## EXHIBIT C

## CERTIFICATION

### Affidavit of Compliance for Contractors

I, KELLY THOMPSON, President,

(Name of person signing affidavit)(Title)

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

TITAN CRANE AND RIGGING, INC.

(Company name)

for contract work at:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

**NOT APPLICABLE**

**EXHIBIT D**

**CERTIFICATION**

**Affidavit of Compliance for Hazardous Materials Transport Vendors**

I, _____,

(Name of person signing affidavit)(Title)

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

_____

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 __.

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

## EXHIBIT E

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

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

The undersigned hereby certifies and agrees that:

1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.

3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.

4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

_____
(Authorized Officer & Title)

_____

_____
(Address)

_____

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# Commission Staff Report

Date: August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Eaton Corporation – Five Year Multi-Task General Services Agreement for electrical services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

**AGENDA CATEGORY:** Consent

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

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify*

_____

_____

## RECOMMENDATION:

Approval of Resolution 18-60 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Eaton Corporation for electrical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $2,000,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

## BACKGROUND:

Electrical services are required from time to time related to project support at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

## FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed $2,000,000.00 to be used out of the NCPA approved budget. 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 similar agreements in place with Hart High Voltage and Contra Costa Electric and seeks bids from multiple qualified providers whenever services are needed. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

## 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 August 1, 2018, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on August 13, 2018, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Eaton Corporation

**SR: 178:18**

**RESOLUTION 18-60**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH EATON CORPORATION**

**(reference Staff Report 178:18)**

WHEREAS, electrical services 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, Eaton Corporation is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Eaton Corporation to provide such services as needed at all NCPA Generation facility locations, Member, SCPPA, and SCPPA Member facilities in an amount not to exceed $2,000,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Eaton Corporation with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $2,000,000 for electrical services 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 _____, 2018 by the following vote on roll call:

| | Vote | Abstained | Absent |
|---|---|---|---|
| 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**
**EATON CORPORATION**

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 Eaton Corporation, an Ohio with its office located at 1000 Cherrington Parkway, Moon Township, PA 15108 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2018 ("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. For larger scopes of work, Contractor may request additional time to prepare an appropriate response. If Contractor agrees to perform the Requested Work, begins to

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

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

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

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

4.2.1 **Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability. 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. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

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

**4.3** **Professional Liability Insurance.** Contractor shall maintain professional liability insurance appropriate to Contractor's profession performing work in connection with this Agreement in an amount not less than one million dollars ($1,000,000.00) and two million dollars ($2,000,000) aggregate covering the Contractor's errors and omissions. 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** **Pollution Insurance.** Not Applicable.

**4.5** **All Policies Requirements.**

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

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

**4.5.3** **Reserved.**

**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.** Excluding Worker's Compensation policies, 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.

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

## Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

5.2 **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency and its officials, commissioners, officers, employees, and volunteers from and against any and all claims of bodily injury, death or property damage brought against the Agency that arise out of and to the extent of the negligence, recklessness or willful misconduct of the Contractor in its performance of Work under this Agreement. Contractor shall bear all losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims brought against Agency for bodily injury, death or property damage ("Liabilities") to the extent of Contractor's negligence. Such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the Agency.

5.3 **Transfer of Title.** Not Applicable.

## Section 6. STATUS OF CONTRACTOR.

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

System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

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

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

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

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

**6.3** **Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all

subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

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

**6.5** **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

**6.6** **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

## Section 7. LEGAL REQUIREMENTS.

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

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

**7.3** **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions. If required, the Purchase Order can specify whether Contractor or Agency shall obtain building permits or similar types of government permits and approvals that involve review of the plans for the Work .

**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 shall provide Contractor with written notice of such breach and a ten (10) day period in which to commence to cure such breach. In the event Contractor does not commence to cure within such ten (10) day period, Agency may terminate this agreement, in whole or in part, and purchase similar replacement goods or services. Contractor shall reimburse Agency for the direct and reasonable costs of reprocuring such similar replacement goods or services over the original Purchase Order price."

## 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.** Excluding any cost, financial accounting or proprietary information unless required to be provided to Agency by law or regulation, 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 to the extent not caused by Agency's gross negligence or willful misconduct. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.

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

## Section 11. WARRANTY.

**11.1** **Nature of Work.** Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement. Unless otherwise agreed to in writing by Contractor, Contractor assumes no responsibility with respect to the suitability of the Agency's, or its customer's, equipment or with respect to any latent defects in equipment not supplied by Contractor. This warranty does not cover damage to Agency's, or its customer's, equipment, components or parts resulting from Agency's improper maintenance or operation or from their deteriorated condition. Agency will, at its cost, provide Contractor with reasonable access to the defective Works for a reasonable period of time to expeditiously perform warranty obligations, as well as reasonable working space in the immediate vicinity of the defective Works and such facilities and systems, including, without limitation, docks, cranes and utility disconnects and connects, as may be necessary in order that Contractor may perform its warranty obligations, unless as part of Contractor's Work Contractor performed activities to obtain access to the defective Work in which case Contractor shall perform the necessary activities listed above to perform Contractor's warranty obligations. Contractor shall proceed diligently to repair the defective Works to reduce equipment downtime. The conducting of any tests shall be mutually agreed upon and Contractor shall be notified of, and may be present at, all tests that may be made.

**11.2** **Deficiencies in Work.** Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction. THE FOREGOING WARRANTIES ARE EXCLUSIVE EXCEPT FOR WARRANTY OF TITLE. CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**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 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:

Eaton Corporation
Attention: Contracts Management
1000 Cherrington Parkway
Moon Township, PA 15108

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.

**Section 14.** Limitation of Liablity.

14.1 THE REMEDIES OF THE AGENCY SET FORTH IN THIS CONTRACT ARE EXCLUSIVE AND ARE ITS SOLE REMEDIES FOR ANY FAILURE OF CONTRACTOR TO COMPLY WITH ITS OBLIGATIONS HEREUNDER.

NOTWITHSTANDING ANY PROVISION IN THIS CONTRACT TO THE CONTRARY, IN NO EVENT SHALL CONTRACTOR BE LIABLE IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE FOR LOSS OF PROFITS OR REVENUE, COST OF CAPITAL, CLAIMS OF CUSTOMERS OF THE AGENCY OR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER, REGARDLESS OF WHETHER SUCH POTENTIAL DAMAGES ARE FORESEEABLE OR IF CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

THE TOTAL CUMULATIVE LIABILITY OF CONTRACTOR ARISING FROM OR RELATED TO THIS CONTRACT WHETHER THE CLAIMS ARE BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, SHALL NOT EXCEED THE TOTAL CONTRACT COMPENSATION OR $2 MILLION, WHICHEVER IS GREATER.

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

| NORTHERN CALIFORNIA POWER AGENCY | EATON CORPORATION |
|---|---|
| Date_____ | Date_____ |
| _____ | _____ |
| **RANDY S. HOWARD**<br>General Manager | |

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
General Counsel

## EXHIBIT A

## SCOPE OF WORK

Eaton Corporation ("Contractor") shall provide electrical services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

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

| | |
|---|---|
| **Preventive and Predictive Maintenance**<br>PM Program Design and Implementation<br>Periodic Testing and PM Services<br>Thermographic Survey<br>Troubleshooting \ Testing<br>Predictive Diagnostics – Partial Discharge | **Plant Life Extension**<br>MV Vacuum Breaker Replacement<br>MV Motor Starter Upgrading<br>System Metering and Control<br>LV Breaker (all OEMs) Trip Systems<br>Class 1 Circuit Breaker Reconditioning |
| **Consulting \ Advisory Support**<br>Power System Studies, Design & Analysis<br>Failure \ Root Cause Analysis<br>Reliability Analysis, Arc Flash Hazards Studies and onsite training<br>Power Quality & Harmonic Analysis<br>Short Circuit / Coordination Studies<br>Power Systems Training | **OEM Equipment Serviced & Upgraded**<br>**Westinghouse \ Cutler-Hammer**<br>Square D<br>General Electric<br>ITE \ ABB<br>Allis Chalmers \ Siemens<br>Federal Pacific<br>and others |
| **Start-Up And Commissioning**<br>Installation Support & Supervision<br>Acceptance Testing (NETA Equivalent)<br>Start-up and Training<br>Ground-Fault Certifications<br>Installation Services | **Turnkey Project Management**<br>New Substation Design<br>Plant Automation – PowerNet/DeviceNet<br>PLC Control and Load Shedding<br>Electrical Plant Monitoring and Control<br>Process Automation & System Integration |

Note: All testing shall be completed per IEEE standards.

## EXHIBIT B

## COMPENSATION SCHEDULE AND HOURLY FEES

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

| | Time classifications (rates are per hour, USD) ❶ | | |
|---|---|---|---|
| **Service classifications** | **Straight time** | **Overtime** | **Premium** |
| In-shop technician | $165 | $247 | $330 |
| Field service technician | $200 | $300 | $400 |
| Field service specialist | $253 | $380 | $500 |
| CAD designer | $200 | $300 | $400 |
| Power automation specialist | $335 | $500 | $670 |
| Power systems engineer | $335 | $500 | $670 |
| Project manager | $335 | $500 | $670 |
| Project coordinator | $150 | $225 | $300 |
| Lead project engineer/foreman | $263 | $395 | $526 |
| Special consultant | $435 | $650 | $875 |
| Forensic analysis | $435 | $650 | $875 |

❶ Additional expenses may apply.

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

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

## EXHIBIT C

## CERTIFICATION

### Affidavit of Compliance for Contractors

I,

_____

(Name of person signing affidavit)(Title)

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

EATON CORPORATION

(Company name)

for contract work at:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

**NOT APPLICABLE**

**EXHIBIT D**

**CERTIFICATION**

**Affidavit of Compliance for Hazardous Materials Transport Vendors**

I, _____,

(Name of person signing affidavit)(Title)

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

_____

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 __.

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

## EXHIBIT E

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

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

The undersigned hereby certifies and agrees that:

1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.

3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.

4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

_____
(Authorized Officer & Title)

_____

_____
(Address)

_____

17

# Commission Staff Report

Date: August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Montrose Air Quality Services, LLC – Five Year Multi-Task Consulting Services Agreement for rata/source/emissions testing services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

**AGENDA CATEGORY:** Consent

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

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify*

_____

_____

## RECOMMENDATION:

Approval of Resolution 18-61 authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Montrose Air Quality Services, LLC for rata, source and emissions testing services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $250,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

## BACKGROUND:

Rata, source and emissions testing services are required from time to time related to project support at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

## FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed $250,000.00 to be used out of the NCPA approved budget. 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 a similar agreement in place with Aeros Environmental and seeks bids from multiple qualified providers whenever services are needed. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

## 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 August 1, 2018, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on August 13, 2018, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task Consulting Services Agreement with Montrose Air Quality Services, LLC

**SR: 179:18**

**RESOLUTION 18-61**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK CONSULTING SERVICES AGREEMENT WITH MONTROSE AIR QUALITY SERVICES, LLC**

**(reference Staff Report 179:18)**

WHEREAS, rata, source and emissions testing services 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, Montrose Air Quality Services, LLC is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task Consulting Services Agreement with Montrose Air Quality Services, LLC to provide such services as needed at all NCPA Generation facility locations, Member, SCPPA, and SCPPA Member facilities in an amount not to exceed $250,000 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 Consulting Services Agreement with Montrose Air Quality Services, LLC with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $250,000 for rata, source and emissions testing services 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 _____, 2018 by the following vote on roll call:

| | Vote | Abstained | Absent |
|---|---|---|---|
| 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 MONTROSE AIR QUALITY SERVICES, 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 Montrose Air Quality Services, LLC, a limited liability company, with its office located at 2825 Verne Roberts Circle, Antioch, CA 94509 ("Consultant") (together sometimes referred to as the "Parties") as of _____, 2018 ("Effective Date") in Roseville, California.

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

1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, or no later than five (5) year from the date this Agreement was signed by Agency, whichever is shorter.

1.2 **Standard of Performance.** Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein.

1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.

1.4 **Services Provided.** Services provided under this Agreement by Consultant may include Services directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

1.5 **Request for Services.** At such time that Agency determines to use Consultant's Services under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific services to be performed ("Requested Services"), may include a not-to-exceed monetary cap on Requested Services and expenditures authorized by that Purchase Order, and a time by which the Requested Services shall be completed. Consultant shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Consultant chooses not to perform the Requested Services. If Consultant agrees to perform the Requested Services, begins to perform the Requested Services, or does not respond within the seven day

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

**Section 2. COMPENSATION.** Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** TWO HUNDRED FIFTY THOUSAND dollars ($250,000.00) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

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

4.2.1 **Commercial General Insurance.** Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than $100,000. No endorsement shall be attached limiting the coverage.

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

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

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

**4.3** **Professional Liability Insurance.** Not Applicable.

**4.4** **All Policies Requirements.**

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

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

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

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

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

**4.6** **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 ensues 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 willful misconduct or negligent acts or omissions by Consultant, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

## Section 6. STATUS OF CONSULTANT.

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

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

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

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

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

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

**6.3** **Assignment and Subcontracting.** This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Consultant shall supervise all work subcontracted by Consultant in performing the services and shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

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

## Section 7. LEGAL REQUIREMENTS.

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

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

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

## Section 8. TERMINATION AND MODIFICATION.

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

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

**8.2** **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.

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

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

**8.4.1** Immediately terminate the Agreement;

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

**8.4.3** Retain a different consultant to complete the Services not finished by Consultant; and/or

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

## Section 9. KEEPING AND STATUS OF RECORDS.

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

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

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

**9.4** **Confidential Information and Disclosure.**

**9.4.1** **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall

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

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

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

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

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

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

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

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

## Section 10. MISCELLANEOUS PROVISIONS.

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

**10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

**10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

**10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

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

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

**10.7 Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

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

Montrose Air Quality Services, LLC
Attention: Shane Mascitelli
2825 Verne Roberts Circle
Antioch, CA 94509

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

**10.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails,

the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

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

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

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

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

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

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

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

///

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

| NORTHERN CALIFORNIA POWER AGENCY | MONTROSE AIR QUALITY SERVICES, LLC |
|---|---|
| Date_____ | Date_____ |
| _____ | _____ |
| **RANDY S. HOWARD,** General Manager | **SHANE MASCITELLI,** NW Region Vice President |

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

## EXHIBIT A
## SCOPE OF SERVICES

Montrose Air Quality Services, LLC ("Consultant") shall provide testing services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

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

- Rata Testing;
- Source Testing; and
- Emission Testing.

These testing services are not maintenance and thus, are not subject to prevailing wage per Labor Code section 1773.5 and Title 8 CCR 16001(a).

## EXHIBIT B
## COMPENSATION SCHEDULE AND HOURLY FEES

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

| Field Testing Personnel | Hourly Rate ($) |
|---|---|
| Consultant | 230 |
| Client Project Manager | 193 |
| Field Project Manager | 153 |
| Senior Technician | 133 |
| Field Technician | 92 |

| Support Personnel | Hourly Rate ($) |
|---|---|
| Senior Office Worker | 128 |
| Office Worker | 88 |

| Overtime Rate | Hourly Rate ($) |
|---|---|
| Over 8 hours per day or between 40 and 60 hours per week | Standard Rate x 1.5 |
| Over 12 hours per day or over 60 hours per week | Standard Rate x 2.0 |

*Note: MAQS also accounts for overtime meeting the "consecutive day" rules.*

| Overhead Direct Costs | Unit Rate ($) |
|---|---|
| Per Diem | 145/day |
| Mobile Lab Vehicle Mileage | 1.50/mile |
| Other Overhead Direct Costs, including analytical costs | Cost Plus 15% |

| Testing Equipment Fees | Daily Rate ($) |
|---|---|
| Mobile Laboratory, no CEMS | 350 |
| Chase vehicle - (mileage charged separately at $0.75/mile) | 120 |
| Portable Sampling System | 200 |
| Data Acquisition System | 100 |
| Strip Chart Recorders | 100 |
| $O_2$ Analyzer (calibration gases charged separately for all analysers) | 125 |
| $CO_2$ Analyzer | 125 |
| CO Analyzer | 175 |
| $NO_X$ Analyzer | 175 |
| $SO_2$ Analyzer | 200 |
| THC Analyzer | 300 |
| FTIR Analyzer (on site) | 750 |
| Gas Chromatograph (on site) | 750 |
| Heated sample line | 100 |
| Isokinetic Sampling System - Complete | 250 |
| Non-Isokinetic Pump & Meter | 175 |
| VOST Meter Box | 225 |
| 201A / OTM-027 Cyclone / Cascade Impactor | 125 |
| Impinger Set | 100 |
| Midget Impinger Assembly | 150 |
| Lung Sampler | 100 |
| Tedlar Bags (each) | 35 |

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

Rates are subject to change upon the giving of 30 days' advance written notice to Agency.

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 _____, 2018. _____.

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.

18

# Commission Staff Report

Date: August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** KW Emerson, Inc. – Five Year Multi-Task General Services Agreement for maintenance tasks including earth work, asphalt patching and paving, minor concrete patching and tunnel maintenance; Applicable to the following projects: All NCPA Facility Locations (with the exception of the LEC facility), Members, SCPPA and SCPPA Members

**AGENDA CATEGORY:** Consent

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

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify* _____

_____

**SR: 180:18**

## RECOMMENDATION:

Approval of Resolution 18-62 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with KW Emerson, Inc. for maintenance tasks including earth work, asphalt patching and paving, minor concrete patching and tunnel maintenance, 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 (with the exception of the Lodi Energy Center), its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

## BACKGROUND:

KW Emerson has been providing maintenance and other contract services to NCPA facilities for a number of years. This enabling agreement would continue a valuable working relationship with KW Emerson for 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 $1,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

## SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has in place (other enabling agreements) 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 August 1, 2018, and was recommended for Commission approval on Consent Calendar.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with KW Emerson, Inc.

**SR: 179:18**

**RESOLUTION 18-62**

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

**(reference Staff Report 179:18)**

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

WHEREAS, KW Emerson, Inc. is a provider of these maintenance services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with KW Emerson, Inc. to provide such services as needed at all NCPA Generation facility locations (with the exception of the Lodi Energy Center), Member, SCPPA, and SCPPA Member facilities in an amount not to exceed $1,000,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with KW Emerson, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $1,000,000 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 _____, 2018 by the following vote on roll call:

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

BOB LINGL
CHAIR

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY

**MULTI-TASK**
**GENERAL SERVICES AGREEMENT BETWEEN**
**THE NORTHERN CALIFORNIA POWER AGENCY AND**
**K.W. EMERSON, 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 K.W. Emerson, Inc., a corporation with its office located at 413 West St. Charles Street, San Andreas, CA 95249 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 20__ ("Effective Date") in Roseville, California.

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

1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.

1.2 **Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.

1.3 **Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.

1.4 **Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

1.5 **Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

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

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

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

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

4.2.1 **Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than $100,000. No endorsement shall be attached limiting the coverage.

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

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

**4.3 Professional Liability Insurance.** Intentionally omitted.

**4.4 Pollution Insurance.** Intentionally omitted.

**4.5 All Policies Requirements.**

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

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

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

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

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

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

## Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

5.2 **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

## Section 6. STATUS OF CONTRACTOR.

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

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

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages,

expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

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

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

**6.3** **Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

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

**6.5** **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

**6.6** **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

## Section 7. LEGAL REQUIREMENTS.

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

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

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

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

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

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

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

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

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency $50.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

## Section 8. TERMINATION AND MODIFICATION.

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

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

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

Rusti Emerson, President
K.W. Emerson, Inc.
P.O. Box 549
San Andreas, CA 95249

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

**13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

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

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

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

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

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

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

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

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

| | |
|---|---|
| NORTHERN CALIFORNIA POWER AGENCY | K.W. EMERSON, INC. |
| Date_____ | Date_____ |
| _____ | _____ |
| **RANDY HOWARD, General Manager** | **RUSTI EMERSON, President** |

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

## EXHIBIT A

## SCOPE OF WORK

K.W. Emerson, Inc. ("Contractor") shall provide the following services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by the Agency, its Members, SCPPA, or SCPPA Members, including:

- Asphalt patch paving;
- Concrete patching and maintenance;
- Minor dam maintenance; and
- Minor road / drainage maintenance.

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

## EXHIBIT B

## COMPENSATION SCHEDULE AND HOURLY FEES

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

**K.W. EMERSON, INC.** **JULY 2018** **TIME AND MATERIAL HOURLY RATES**

| LABOR CLASS | IBEW WAGE |
|---|---|
| SUPERINTENDENT | $122.00 |
| FOREMAN | $114.00 |
| OPERATOR | $108.00 |
| TRUCK DRIVER | $92.00 |
| LABORER | $90.00 |
| . | |

| EQUIPMENT | EQUIP ONLY RATE |
|---|---|
| FIAT-ALLIS 745 LOG LOADER | $61.00 |
| CAT 980 LOADER | $99.00 |
| CAT 950 LOADER | $85.00 |
| DEERE 210 BOX SCRAPER | $45.00 |
| CAT 414 BOX SCRAPER | $48.00 |
| TIMBERJACK LOG SKIDDER | $55.00 |
| CAT 631 SCRAPER | $142.00 |
| CAT 225 EXCAVATOR | $94.00 |
| CAT 320 EXCAVATOR | $107.00 |
| CAT 320 EXCAVATOR w/ 5,000 LB. HAMMER | $194.00 |
| CAT 330 EXCAVATOR | $122.00 |
| TRANSFER | $60.00 |
| 10 YARD DUMP TRUCK (10 WHEELER) | $44.00 |
| MECHANIC TRUCK | $45.00 |
| WATER TRUCK 4,000 GALLONS | $44.00 |
| WATER TRUCK 2,000 GALLONS | $35.00 |
| CAT D6C DOZER | $65.00 |
| CAT D6C DOZER w/ SHEEPS FOOT | $80.00 |
| CAT D6H DOZER | $83.00 |
| CAT D8K DOZER | $105.00 |
| CAT D8R DOZER | $130.00 |
| CAT D9L DOZER | $171.00 |
| CAT 416 BACKHOE | $40.00 |
| CAT 420 BACKHOE | $55.00 |
| CAT 446 BACKHOE | $60.00 |
| CAT 446 BACKHOE w/ 2,000 LB. HAMMER | $154.00 |
| CAT 14G GRADER | $99.00 |
| CAT 14G GRADER w/ GPS | $114.00 |
| BLADMORE 747 GRADER | $44.00 |
| CAT 130G GRADER | $58.00 |
| CAT 815 COMPACTOR | $92.00 |
| CAT CP563 84" ROLLER | $65.00 |
| CAT CP363 42" ROLLER | $45.00 |
| CAT 224 48" ROLLER | $45.00 |
| BLAW-KNOX PAVING MACHINE | $250.00 |
| PICKUP | $22.00 |
| LOWBED TRANSPORT | $65.00 |
| LOWBED-BONUS PURPLE | $85.00 |
| LOWBED-INCLUDING SCRAPER DOLLY | $115.00 |
| PILOT CAR | $22.00 |
| AIR COMPRESSOR | $300.00 / DAY |
| LASER | $50.00 / DAY |
| GENERATOR | $50.00 / DAY |
| 4,000 PSI PRESSURE WASHER | $200.00 / DAY |
| VIBRATORY PLATE | $95.00 / DAY |
| RAMMEX | $250.00 / DAY |
| WHACKER | $75.00 / DAY |
| CHAIN SAWS | $25.00 / DAY |
| 3" TRASH PUMP | $110.00 / DAY |
| 6" TRASH PUMP | $250.00 / DAY |
| VACUUM (TRAILER MOUNTED) | $250.00 / DAY |
| BALL & CABLE WINCH | $60.00 / DAY |
| ALL CALIFORNIA PERMITS | $85.00 / EACH |
| WORK TO BE PAID FOR ON A TIME AND MATERIAL BASIS (COST PLUS 15 %) | |

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

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

The rates set forth above are valid from July 2018 and may be subject to an annual escalation of up to 5% per year, effective upon 30 days' prior written notice to NCPA.

## EXHIBIT C

## CERTIFICATION

### Affidavit of Compliance for Contractors

I,

_____

(Name of person signing affidavit)(Title)

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

_____

(Company name)

for contract work at:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

## EXHIBIT D – 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

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

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

The undersigned hereby certifies and agrees that:

1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.

3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.

4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

_____
(Authorized Officer & Title)

_____

_____
(Address)

_____

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# Commission Staff Report

Date: August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Danick Mechanical, Inc. – Five Year Multi-Task General Services Agreement for T&M mechanical maintenance services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

**AGENDA CATEGORY:** Consent

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

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify*

## RECOMMENDATION:

Approval of Resolution 18-63 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Danick Mechanical, Inc. for T&M mechanical maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $1,000,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

## BACKGROUND:

T&M mechanical maintenance services are required from time to time related to project support at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

## FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed $1,000,000.00 to be used out of the NCPA approved budget. 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 similar agreements in place with Performance Mechanical, Martech, RAM Mechanical and Wagner Mechanical and seeks bids from multiple qualified providers whenever services are needed. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

## 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 August 1, 2018, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on August 13, 2018, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Danick Mechanical, Inc.

**SR: 181:18**

**RESOLUTION 18-63**

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

**(reference Staff Report 181:18)**

WHEREAS, T&M mechanical maintenance services 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, Danick Mechanical, Inc. is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Danick Mechanical, Inc. to provide such services as needed at all NCPA Generation facility locations, Member, SCPPA, and SCPPA Member facilities in an amount not to exceed $1,000,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Danick Mechanical, Inc. with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $1,000,000 for T&M mechanical maintenance services 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 _____, 2018 by the following vote on roll call:

| | Vote | Abstained | Absent |
|---|---|---|---|
| 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**
**DANICK MECHANICAL, 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 Danick Mechanical, Inc., a corporation with its office located at P.O. Box 207, Nicolaus, CA 95659 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2018 ("Effective Date") in Roseville, California.

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

1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.

1.2 **Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.

1.3 **Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.

1.4 **Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

1.5 **Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

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

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

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

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

4.2.1 **Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than $100,000. No endorsement shall be attached limiting the coverage.

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

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

**4.3 Professional Liability Insurance.** Not Applicable.

**4.4 Pollution Insurance.** Not Applicable.

**4.5 All Policies Requirements.**

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

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

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

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

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

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

## Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

**5.1** **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

**5.2** **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

**5.3** **Transfer of Title.** Not Applicable.

## Section 6. STATUS OF CONTRACTOR.

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

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

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

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

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

**6.3** **Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

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

**6.5** **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

**6.6** **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types

of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

## Section 7. LEGAL REQUIREMENTS.

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

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

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

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

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

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

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding

Bodies, copies of the applicable determination of the Director can be found on the web at: http://www.dir.ca.gov/DLSR/PWD/ and may be reviewed at any time.

Contractor shall 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:

Danick Mechanical, Inc.
Attention: Nick Taylor
P.O. Box 207
Nicolaus, CA 95659

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

**13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

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

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

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

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

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

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

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

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

NORTHERN CALIFORNIA POWER AGENCY

Date_____

_____

**RANDY S. HOWARD,**
General Manager

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

DANICK MECHANICAL, INC.

Date_____

_____

**NICK TAYLOR,**
Secretary/Treasurer

## EXHIBIT A

## SCOPE OF WORK

Danick Mechanical, Inc. ("Contractor") shall provide general T&M maintenance services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

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

- Piping and/or valve leak maintenance
- Pipe disassembly/reassembly
- Weld fabrication/modifications maintenance

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

# EXHIBIT B

## COMPENSATION SCHEDULE AND HOURLY FEES

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

**Straight Time Wage Rate**

| | |
|---|---|
| Superintendent/Quality Control | **$117.70 / Hr.** |
| General Foreman | **$114.63 / Hr.** |
| Foreman | **$106.05 / Hr.** |
| Journeyman | **$100.05 / Hr.** |

This is a loaded rate all hand tools, electric welding machines, plasma arcs, and 2"pipe machines shall be provided at these rates. Large equipment such as cranes, boom trucks, compressors etc. will be charged for at their rental rates. Foreman shall be provided on the first man. All rates are subject to a four hour minimum.

**1.5 X Wage Rate**

| | |
|---|---|
| Superintendent/Quality Control | **$152.56 / Hr.** |
| General Foreman | **$148.06 / Hr.** |
| Foreman | **$139.06 / Hr.** |
| Journeyman | **$130.05 / Hr.** |

**2.0X Wage Rate**

Hours in excess of 10 per day, after 10 hours on Saturday and all of Sunday.

| | |
|---|---|
| Superintendent/Quality Control | **$190.07 / Hr.** |
| General Foreman | **$184.07 / Hr.** |
| Foreman | **$172.07 / Hr.** |
| Journeyman | **$160.06 / Hr.** |

**Materials Supplied**

All materials purchased will be marked up 15% for handling.
Consumables will be charged at 2% of the total project.
All Gases shall be marked up 25% for Handling and rental of bottles.
All Rentals shall be marked up 15% for handling
All fees are subject to a four hour minimum.
**All Wage Rates will remain in effect through September 30, 2018**
Day Shift to start at 7:00 A.M. any deviation from this start time shall be considered a shift change.
There shall be a 10% shift differential for a night shift and 15% for graveyards.
There shall be a Fuel Surcharge of $0.405/ Mile for all Job Trucks and $0.505/ Mile Welding Rigs and Boom Trucks
*Danick Mechanical Rental rates for equipment owned:*

| | Daily | Weekly | Monthly |
|---|---|---|---|
| Job Trucks | $65.00 | $211.25 | $686.56 |
| Boom Truck 15 Ton National 550C | $375.00 | $1,218.75 | $3,960.94 |
| Forklift 22'-0" Mast, 6000lbs. (Diesel) | $115.00 | $373.75 | $1,214.69 |
| 2" - 4" Pipe Threading Machine | $45.00 | $146.25 | $475.31 |
| Gas or Diesel Welders (Trailer Mounted) | $85.00 | $267.75 | $843.41 |
| Portable Welder (Truck Mounted) | $120.00 | $390.00 | $1,267.50 |
| Water Wagon (Fire Protection) | $105.00 | $341.25 | $1,109.06 |

All items don't include fuel charges.

| | | |
|---|---|---|
| **Apprentice Wage Rates First Period** | **1.0X** | **$54.93 / Hr.** |
| | **1.5X** | **$67.60 / Hr.** |
| | **2.0X** | **$80.27 / Hr.** |
| **Apprentice Wage Rates Second Period** | **1.0X** | **$62.13 / Hr.** |
| | **1.5X** | **$76.21 / Hr.** |
| | **2.0X** | **$90.29 / Hr.** |
| **Apprentice Wage Rates Third Period** | **1.0X** | **$67.11./ Hr.** |
| | **1.5X** | **$82.60 / Hr.** |
| | **2.0X** | **$98.08 / Hr.** |
| **Apprentice Wage Rates: Fourth Period** | **1.0X** | **$72.13./ Hr.** |
| | **1.5X** | **$89.02 / Hr.** |
| | **2.0X** | **$105.91 / Hr.** |
| **Apprentice Wage Rates: Fifth Period** | **1.0X** | **$77.10./ Hr.** |
| | **1.5X** | **$95.50 / Hr.** |
| | **2.0X** | **$113.71 / Hr.** |
| **Apprentice Wage Rates: Sixth Period** | **1.0X** | **$80.39./ Hr.** |
| | **1.5X** | **$99.34 / Hr.** |
| | **2.0X** | **$118.57 / Hr.** |
| **Apprentice Wage Rates: Seventh Period** | **1.0X** | **$83.02./ Hr.** |
| | **1.5X** | **$103.62 / Hr.** |
| | **2.0X** | **$124.22 / Hr.** |
| **Apprentice Wage Rates: Eighth Period** | **1.0X** | **$85.69/ Hr.** |
| | **1.5X** | **$107.15 / Hr.** |
| | **2.0X** | **$128.60 / Hr.** |
| **Apprentice Wage Rates: Ninth Period** | **1.0X** | **$90.31./ HR.** |
| | **1.5X** | **$113.10 / HR.** |
| | **2.0X** | **$135.89 / HR.** |
| **Apprentice Wage Rates: Tenth Period** | **1.0X** | **$94.96./ HR.** |
| | **1.5X** | **$119.09 / HR.** |
| | **2.0X** | **$143.22 / HR.** |

Labor rates may be modified in accordance with the union rate increases upon 30 days written notice to the Agency.

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

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

## EXHIBIT C

## CERTIFICATION

### Affidavit of Compliance for Contractors

I,

_____

(Name of person signing affidavit)(Title)

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

DANICK MECHANICAL, INC.

(Company name)

for contract work at:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

**NOT APPLICABLE**

**EXHIBIT D**

**CERTIFICATION**

**Affidavit of Compliance for Hazardous Materials Transport Vendors**

I, _____,

(Name of person signing affidavit)(Title)

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

_____

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 __.

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

## EXHIBIT E

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

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

The undersigned hereby certifies and agrees that:

1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.

3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.

4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

_____
(Authorized Officer & Title)

_____

_____
(Address)

_____

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# Commission Staff Report

Date: August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Electrical Maintenance Consultants – Five Year Multi-Task General Services Agreement for electrical services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

**AGENDA CATEGORY:** Consent

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

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify*

_____

_____

## RECOMMENDATION:

Approval of Resolution 18-64 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Electrical Maintenance Consultants for electrical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $2,000,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

## BACKGROUND:

Electrical services are required from time to time related to project support at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

## FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed $2,000,000.00 to be used out of the NCPA approved budget. 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 similar agreements in place with Hart High Voltage, Contra Costa Electric, 3D Technical Services, Eaton Corporation and Schneider Electric (pending) and seeks bids from multiple qualified providers whenever services are needed. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

## 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 Lodi Energy Center Project Participant Committee on August 13, 2018, and was approved.

The recommendation above was reviewed by the Facilities Committee on August 14, 2018, and was recommended for Commission approval on Consent Calendar.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Electrical Maintenance Consultants

**SR: 182:18**

**RESOLUTION 18-64**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH ELECTRICAL MAINTENANCE CONSULTANTS**

**(reference Staff Report 182:18)**

WHEREAS, electrical services 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, Electrical Maintenance Consultants is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Electrical Maintenance Consultants to provide such services as needed at all NCPA Generation facility locations, Member, SCPPA, and SCPPA Member facilities in an amount not to exceed $2,000,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Electrical Maintenance Consultants with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $2,000,000 for electrical services 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 _____, 2018 by the following vote on roll call:

| | Vote | Abstained | Absent |
|---|---|---|---|
| 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**
**ELECTRICAL MAINTENANCE CONSULTANTS, 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 Electrical Maintenance Consultants, Inc., a corporation with its office located at 3785 Cincinnati Avenue, Rocklin, CA 95765 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2018 ("Effective Date") in Roseville, California.

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

1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.

1.2 **Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.

1.3 **Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.

1.4 **Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

1.5 **Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

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

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

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

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

4.2.1 **Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than $100,000. No endorsement shall be attached limiting the coverage.

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

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

**4.3** **Professional Liability Insurance.** Contractor shall maintain professional liability insurance appropriate to Contractor's profession performing work in connection with this Agreement in an amount not less than one million dollars ($1,000,000.00) and two million dollars ($2,000,000) aggregate covering the Contractor's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars ($250,000.00) per claim. Such insurance shall be on 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** **Pollution Insurance.** Not Applicable.

**4.5** **All Policies Requirements.**

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

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

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

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

**4.5.5** **Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that

may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

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

## Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

**5.1** **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

**5.2** **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

**5.3** **Transfer of Title.** Not Applicable.

## Section 6. STATUS OF CONTRACTOR.

**6.1** **Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any

compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

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

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

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

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

**6.3** **Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with

respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

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

**6.5** **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

**6.6** **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

## Section 7. LEGAL REQUIREMENTS.

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

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

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

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

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

**7.6** **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem

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

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

Contractor shall 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:

Electrical Maintenance Consultants, Inc.
Attention: Phillip Keller
3785 Cincinnati Avenue
Rocklin, CA 95765

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency

651 Commerce Drive
Roseville, CA 95678

With a copy to:

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

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

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

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

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

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

**13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

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

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

**13.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative

remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

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

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

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

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

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

| | |
|---|---|
| NORTHERN CALIFORNIA POWER AGENCY | ELECTRICAL MAINTENANCE CONSULTANTS, INC. |
| Date_____ | Date_____ |
| _____ | _____ |
| **RANDY S. HOWARD,** | **PHILLIP KELLER,** |
| General Manager | Vice President |

Attest:

_____

Assistant Secretary of the Commission

Approved as to Form:

_____

Jane E. Luckhardt, General Counsel

## EXHIBIT A

## SCOPE OF WORK

Electrical Maintenance Consultants, Inc. ("Contractor") shall provide electrical related services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA Members.

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

- Generator Inspections
- Testing and Evaluation
- Stator and Field Rewinds
- Stator and Field Cleaning and Sealing
- Exciter Maintenance and Inspection
- Retaining Ring Removal and Non-Destructive Testing
- Static Excitation Retrofits
- Voltage Regulation Retrofits
- Control System Troubleshooting
- Control System Calibration and Maintenance
- Additional electrical related services as needed

Insert as needed: No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

## EXHIBIT B

## COMPENSATION SCHEDULE AND HOURLY FEES

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

### SCHEDULE OF PREVAILING RATES AND CHARGES 2018

| | Straight Time | Over Time | Double Time |
|---|---|---|---|
| 1. Specialized Engineer | $135.00 | $202.50 | $270.00 |
| 2. Project Supervisor | $120.00 | $180.00 | $240.00 |
| 3. Field Service Technician | $105.00 | $165.00 | $220.00 |
| 4. Winder | $105.00 | $165.00 | $220.00 |
| 5. Craftsman | $100.00 | $150.00 | $200.00 |
| 6. Shop Labor | $100.00 | $150.00 | $200.00 |

1. Straight time rates apply to all hours worked or traveled during a normal eight (8) hour workweek Monday through Friday 7:30 AM to 4:00 PM excluding holidays. Time is based on portal to portal.
2. Over time rates apply to all hours worked or traveled after eight (8) hours and Saturdays up to twelve (12) hours.
3. Double time rates apply to all Holidays, Sundays and any hours worked or traveled after twelve (12) hours Monday through Saturday.
4. All travel and work from one (1) to four (4) hours will be billed as four hours plus expenses.
5. All travel and work from four (4) to eight (8) hours will be billed as eight (8) hours plus expenses.

**EXPENSES**
$185.00 living expenses per man. (Bay Area and Southern California $210.00 living expenses per man) All other expenses, including miscellaneous expenses such as parking, telephone, tolls and expendable materials will be billed at cost plus 30% handling charge.

**OUTSIDE SERVICES**
All outside services will be billed at cost plus 20%

**EQUIPMENT**
Truck and Tool Trailer will be charged as $250.00 per day. Specialist and Supervisor vehicle will be an additional $3.50 per hour. Special Equipment will be billed at standard rental rates plus 20%.

**MATERIALS**
All materials will be billed at a minimum handling charge of cost plus 40%.

**FREIGHT**
All incoming and outgoing freight will be charged at a handling charge of cost plus 40%.

**MINIMUM BILLING**
Minimum billing amount is $300.00.

**MILEAGE**
Mileage will be charged at the rate of $0.85 per mile.
There will be a hazardous waste surcharge on all projects, amount to be determined based on individual project.

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

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

## EXHIBIT C

## CERTIFICATION

### Affidavit of Compliance for Contractors

I,

_____

(Name of person signing affidavit)(Title)

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

_____

(Company name)

for contract work at:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

**NOT APPLICABLE**

**EXHIBIT D**

**CERTIFICATION**

**Affidavit of Compliance for Hazardous Materials Transport Vendors**

I, _____,

(Name of person signing affidavit)(Title)

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

_____

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 __.

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

## EXHIBIT E

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

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

The undersigned hereby certifies and agrees that:

1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.

3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.

4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

_____
(Authorized Officer & Title)

_____

_____
(Address)

_____

21

# Commission Staff Report

Date August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Gifford's Backhoe Services, Inc. – Five Year Multi-Task General Services Agreement for miscellaneous maintenance labor and equipment rental; Applicable to the following projects: Geysers Geothermal Plant Facility.

**AGENDA CATEGORY:** Consent

| | | |
|---|---|---|
| **FROM:** | Ken Speer KS | **METHOD OF SELECTION:** |
| | Assistant General Manager | *N/A* |
| Division: | Generation Services | *If other, please describe:* |
| Department: | Geothermal | |

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☐ | **City of Lodi** | ☒ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☒ | **City of Lompoc** | ☒ | **City of Ukiah** | ☒ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☒ |
| **City of Biggs** | ☒ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☒ | **City of Roseville** | ☒ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☒ | **City of Santa Clara** | ☒ | **Other** | ☒ |
| | | *If other, please specify* | | Turlock | |

**SR: 184:18**

## RECOMMENDATION:

Approve Resolution 18-66 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Gifford's Backhoe Services, Inc., to provide miscellaneous maintenance labor and equipment rental, including trucking of fresh and fire water and vacuum truck 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 the NCPA Geyser Geothermal Plant Facility.

## BACKGROUND:

Labor, trucking of fresh and fire water, vacuum truck services, and rental of equipment such as cranes, backhoes, and drilling operation equipment, are required from time to time related to project support at the Geyser's Geothermal Plant Facility. Gifford's Backhoe Services, Inc. is a provider of these services and equipment.

## FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed $1,000,000 to be used out of the NCPA Approved budget. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

## SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has in place other agreements for similar services with Epidendio Construction, Northern Industrial Construction, and Reynolds Truck and Crane, 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 August 1, 2018, and was recommended for Commission approval on Consent Calendar.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Gifford's Backhoe Services, Inc.

**SR: 184:18**

**RESOLUTION 18-66**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH GIFFORD'S BACKHOE SERVICES, INC.**

**(reference Staff Report #184:18)**

WHEREAS, miscellaneous maintenance labor and equipment rental, including trucking of fresh and fire water, vacuum truck services, and rental of cranes, backhoes and equipment related to drilling operations, is periodically required at the Geyser's Geothermal Plant Facility; and

WHEREAS, Gifford's Backhoe Services, Inc. is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Gifford's Backhoe Services, Inc. to provide such services as needed at the Geyser's Geothermal Plant Facility, in an amount not to exceed $1,000,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Gifford's Backhoe Services, Inc. with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $1,000,000, for miscellaneous maintenance labor and equipment rental for use at the Geyser's Geothermal Plant Facility.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2018 by the following vote on roll call:

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

_____
BOB LINGL
CHAIR

ATTEST:

_____
CARY A. PADGETT
ASSISTANT SECRETARY

**MULTI-TASK**
**GENERAL SERVICES AGREEMENT BETWEEN**
**THE NORTHERN CALIFORNIA POWER AGENCY AND**
**GIFFORD'S BACKHOE SERVICES, INC.**

This Multi-Task General Services Agreement ("Agreement') is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Gifford's Backhoe Services, Inc., a corporation with its office located at P.O. Box 153, Cobb, CA 95426 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2018 ("Effective Date") in Roseville, California.

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

1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.

1.2 **Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.

1.3 **Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.

1.4 **Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

1.5 **Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

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

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

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

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

4.2.1 **Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than $100,000. No endorsement shall be attached limiting the coverage.

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

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

**4.3 Professional Liability Insurance.** Not Applicable

**4.4 Pollution Insurance.** Not Applicable

**4.5 All Policies Requirements.**

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

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

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

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

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

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

## Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

**5.1** **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

**5.2** **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

**5.3** **Transfer of Title.** If Contractor's Work involves its transporting hazardous materials, Contractor shall be deemed to be in exclusive possession and control of such materials and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of such materials, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Contractor or its agents complete transfer of such materials into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Contractor shall be responsible for all such notifications. Should Contractor be required to remedy or remove such materials as a result of a leak, spill, release or discharge of such materials into the environment at Agency's Site or elsewhere, Contractor agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

## Section 6. STATUS OF CONTRACTOR.

**6.1** **Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any

compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

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

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

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

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

**6.3** **Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all

subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

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

6.5 **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

6.6 **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

## Section 7. LEGAL REQUIREMENTS.

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

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

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

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

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

7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem

wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

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

Contractor shall 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:

Kenneth Gifford
President
P.O. Box 153
Cobb, CA 95426

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

**13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

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

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

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

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

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

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

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

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

| | |
|---|---|
| NORTHERN CALIFORNIA POWER AGENCY | GIFFORD'S BACKHOE SERVICES, INC. |
| Date_____ | Date _____ |
| _____ | _____ |
| **RANDY S. HOWARD, General Manager** | **KENNETH GIFFORD, President** |

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

## EXHIBIT A

## SCOPE OF WORK

GIFFORD'S BACKHOE SERVICES, INC. ("contractor") agrees to provide maintenance services at the NCPA Geothermal Facility as follows:

- Provide miscellaneous maintenance labor services and equipment rental;
- Provide Trucking, Equipment and Operator Services, including Vacuum truck services, fresh/fire water trucking, cranes, backhoe labor, compactors, D class bulldozers, and excavators;
- Provide miscellaneous heavy equipment maintenance services related to Drilling operations and disposal;
- Perform work on Drill Rig cuttings located in sumps throughout Agency's Geothermal Facility, including performing cutting analysis, separation of cuttings in various bins and hauling of bins to waste sites, as directed by Agency.

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

## EXHIBIT B

## COMPENSATION SCHEDULE AND HOURLY FEES

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

# Current Rates—As of January 1, 2018

**Trucking—with Driver**

| | |
|---|---|
| 10 yd Dump | $90.00/hr |
| 6 yd Dump | $75.00/hr |
| Double Rolloff Trailer | $100.00/hr |
| Bobtail Rolloff Truck | $95.00/hr |
| End Dump | $100.00/hr |
| Truck w/50 ton Lowboy Trailer | $120.00/hr |
| Truck w/24 ft. Tilt Trailer | $100.00/hr |
| Dump Truck w/Transfer Trailer | $100.00/hr |
| Truck & Trailer | $100.00/hr |
| Vacuum Tanker | $120.00/hr |
| Vacuum Truck | $100.00/hr |
| Water Truck (4,000 gal) | $100.00/hr |
| Potable Water Delivery (state licensed) | $225.00/load |

**Crane —with Operator**

| | |
|---|---|
| 18 ton Hydra Crane w/trailer | $130.00/hr |
| 18 ton Hydra Crane w/Bobtail | $130.00/hr |

**Labor**

| | |
|---|---|
| Labor—Level 1 | $38.75/hr |
| Labor—Level 11 | $41.50/hr |
| Labor—Level 111 | $43.50/hr |
| Labor—Level IV | $46.25/hr |
| Labor—Level V | $49.10/hr |
| Operator | $51.65/hr |
| Working Foreman | $53.35/hr |

**Labor Overtime = Time and a half and double time rates apply after 8 hours**

**Equipment Overtime = Cost plus $25.00/hr after 8 hours**

**Overtime rates apply to any work performed on Saturday and/or Sunday**

**No Fuel Surcharges**

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested – Not Applicable

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

**EXHIBIT C – Not Applicable**

**CERTIFICATION**

**Affidavit of Compliance for Contractors**

I,

_____

(Name of person signing affidavit)(Title)

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

_____

(Company name)

for contract work at:

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

(Project name and location)

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

_____

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

**EXHIBIT D – 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)

_____

22

# Commission Staff Report

August 14, 2018

**COMMISSION MEETING DATE:** **August 23, 2018**

**SUBJECT:** CY 2019 NCPA Capacity Pool Rates

**AGENDA CATEGORY:** Consent

| | | |
|---|---|---|
| **FROM:** | Tony Zimmer | **METHOD OF SELECTION:** |
| | AGM, Power Management | *N/A* |
| Division: | Power Management | *If other, please describe:* |
| Department: | Power Management | |

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☐ | **City of Lodi** | ☒ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☒ | **City of Lompoc** | ☒ | **City of Ukiah** | ☒ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☒ | **Plumas-Sierra REC** | ☒ |
| **City of Biggs** | ☒ | **City of Redding** | ☐ | **Port of Oakland** | ☒ |
| **City of Gridley** | ☒ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☒ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify*

_____

_____

**SR: 187:18**

## RECOMMENDATION:

NCPA staff recommends that the Commission approve and adopt the Local Area and System Resource Adequacy capacity rates proposed herein for use in the NCPA Capacity Pool, as further described in Pooling Schedule 4, during the 2019 Resource Adequacy compliance year.

## BACKGROUND:

The NCPA Capacity Pool was developed and incorporated into the Second Amended and Restated Pooling Agreement to provide a mechanism for Pool members[1] to voluntarily transact Local Area and System Resource Adequacy capacity in an efficient manner through the NCPA All Resources Bill. In accordance with Pooling Schedule 4, Section 3.8, an ad hoc group of Pool members is to be organized to develop and propose Local Area and System Resource Adequacy capacity rates to the Commission for approval, and pending such approval, the rates adopted will be used to price Local Area and System Resource Adequacy capacity transactions executed in the NCPA Capacity Pool.

## DISCUSSION:

An ad hoc group of Pool members was organized to develop Local Area and System Resource Adequacy capacity rates to be used in the NCPA Capacity Pool during the 2019 Resource Adequacy compliance year[2]. The ad hoc group of Pool members used a combination of formal and informal market price surveys to develop a negotiated rate for Local Area and System Resource Adequacy capacity to be used within the NCPA Capacity Pool. NCPA, on behalf of the Pool members, is seeking Commission approval of the proposed Local Area and System Resource capacity rates for use in the NCPA Capacity Pool during the 2019 Resource Adequacy compliance year.

## CAPACITY RATES:

The following Local Area and System Resource Adequacy capacity rates have been developed for use in the NCPA Capacity Pool during the 2019 Resource Adequacy compliance year:

- Local Area Capacity Rate - $3.25 / kW-Month
- System Capacity Rate - $2.75 / kW-Month

## FISCAL IMPACT:

Work associated with developing the NCPA Capacity Pool Local Area and System Resource Adequacy capacity rates was 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.

---

[1] NCPA Pool members include Cities Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, and Ukiah, and Plumas-Sierra Rural Electric Cooperative, and the Port of Oakland.
[2] The 2019 Resource Adequacy compliance year is coincident with the 2019 calendar year, but includes data submittals and demonstrations that will be filed with the CAISO in 2018.

**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 presented herein was reviewed by the Facilities Committee on August 1, 2018, and was recommended for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments: Resolution 18-69

**SR: 187:18**

**RESOLUTION 18-69**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY**
**CY 2019 NCPA CAPACITY POOL RATES**

**(reference Staff Report #187:18)**

WHEREAS, the NCPA Capacity Pool was developed and incorporated into the Second Amended and Restated Pooling Agreement to provide a mechanism for Pool members[1] to voluntarily transact Local Area and System Resource Adequacy capacity in an efficient manner through the NCPA All Resources Bill; and

WHEREAS, in accordance with Pooling Schedule 4, Section 3.8, an ad hoc group of Pool members is to be organized to develop and propose Local Area and System Resource Adequacy capacity rates to the Commission for approval, and pending such approval, the rates adopted will be used to price Local Area and System Resource Adequacy capacity transactions executed in the NCPA Capacity Pool; and

WHEREAS, an ad hoc group of Pool members was organized to develop Local Area and System Resource Adequacy capacity rates to be used in the NCPA Capacity Pool during the 2019 Resource Adequacy compliance year[2]; and

WHEREAS, the ad hoc group of Pool members used a combination of formal and informal market price surveys to develop a negotiated rate for Local Area and System Resource Adequacy capacity to be used within the NCPA Capacity Pool, and NCPA, on behalf of the Pool members, is seeking Commission approval of the proposed Local Area and System Resource capacity rates for use in the NCPA Capacity Pool during the 2019 Resource Adequacy compliance year; and

WHEREAS, The following Local Area and System Resource Adequacy capacity rates have been developed for use in the NCPA Capacity Pool during the 2019 Resource Adequacy compliance year:

- Local Area Capacity Rate - $3.25 / kW-Month
- System Capacity Rate - $2.75 / kW-Month

WHEREAS, work associated with developing the NCPA Capacity Pool Local Area and System Resource Adequacy capacity rates was 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; 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 adopts the Local Area and System Resource Adequacy capacity rates proposed herein for use in the NCPA Capacity Pool, as further described in Pooling Schedule 4, during the 2019 Resource Adequacy compliance year.

---

[1] NCPA Pool members include Cities Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, and Ukiah, and Plumas-Sierra Rural Electric Cooperative, and the Port of Oakland.

[2] The 2019 Resource Adequacy compliance year is coincident with the 2019 calendar year, but includes data submittals and demonstrations that will be filed with the CAISO in 2018.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2018 by the following vote on roll call:

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

_____

BOB LINGL
CHAIR

ATTEST:

_____

CARY A. PADGETT
ASSISTANT SECRETARY

Item 23 was pulled from the Agenda

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# Commission Staff Report

Date: August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Stanislaus Weather Modification Program - Addendum to the CEQA Initial Study and Negative Declaration (IS/ND). Applicable to NCPA Hydroelectric Facility.

**AGENDA CATEGORY:** Discussion/Action

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

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☐ | **City of Lodi** | ☒ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☒ | **City of Lompoc** | ☒ | **City of Ukiah** | ☒ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☒ | **Plumas-Sierra REC** | ☒ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☒ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☒ | **City of Santa Clara** | ☒ | **Other** | ☐ |

*If other, please specify* _____

_____

## RECOMMENDATION:

Staff recommends that the Commission approve Resolution 18-52 adopting the Addendum to the CEQA Initial Study and Negative Declaration (IS/ND) for the Stanislaus Weather Modification Program ("Project").

## BACKGROUND:

The Agency proposes to continue its aerial weather modification program that was initiated in the winter of 2006 in the North Fork Stanislaus River watershed above the New Spicer Meadow Reservoir. The program consists of aerial cloud seeding to augment winter snowfall in the higher elevations of the watershed, enhancing water supply and hydroelectric power production during the spring and summer runoff periods. The Commission approved Resolution No. 09-87 in 2006 adopting an initial study and negative declaration ("IS/ND") for the Project.

## FISCAL IMPACT:

There are no costs directly associated with approval of the CEQA Addendum; however, pending Commission approval of the Addendum a separate Commission Agenda item will be brought forward seeking to extend the weather modification program. Total cost to extend the program for a five (5)-year period is not-to-exceed $1,800,000. $270,000 was included in the fiscal year 2018-19 Hydro budget for cloud seeding, with an additional $50,000 allocated for the water-for-power program. Purchase orders associated with agreements executed for this program will utilize approved Hydroelectric budget funds.

Scientific experts in the field of weather modification estimate the snow pack can be increased from two to more than ten percent by a well-managed weather modification program. An increase of 2% would result in approximately ten thousand (10,000) MWh per year for the NCPA Hydroelectric Project during an average snow pack year. The value of an additional 10,000 MWh's for 2019 is on the order of $375,000 (assuming a weighted price of $37.50 / MWh). Cost allocation will be based on project participation percentages.

## SELECTION PROCESS:

Not applicable.

## ENVIRONMENTAL ANALYSIS:

Environmental impact considerations were previously analyzed by and are covered by an Initial Study and Negative Declaration ("IS/ND") adopted by the Commission on January 12, 2006. In anticipation of extending the project by an additional five (5) years, NCPA prepared an Addendum to the IS/ND. The Addendum shows that the continuation of the project will not result in any new or previously unidentified significant impacts. A copy of the addendum to the initial study and negative declaration are attached to this staff report.

## COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on July 5, 2018, and was recommended for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- CEQA Addendum

**SR: 168:18**

**RESOLUTION 18-52**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY ADOPTING AN ADDENDUM TO THE PREVIOUSLY APPROVED INITIAL STUDY AND NEGATIVE DECLARATION FOR THE STANISLAUS WEATHER MODIFICATION PROGRAM**

**(reference Staff Report #168:18)**

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains Hydroelectric Facilities on behalf of its project owners; and

WHEREAS, NCPA previously considered and adopted Resolution No. 09-87 adopting an initial study and negative declaration ("IS/ND") for the Stanislaus Weather Modification Program ("Project"); and

WHEREAS, NCPA is now considering extending the Project for an additional five (5)-year period; and

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA") NCPA has prepared an Addendum to the previously approved IS/ND; and

WHEREAS, the Addendum shows that the continuation of the Project will not result in any new or previously unidentified significant impacts to the environment; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency adopt the Addendum to the IS/ND for the Stanislaus Weather Modification Program.

PASSED, ADOPTED and APPROVED this ___ day of _____ 2018, by the following vote on roll call:

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

_____
BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

# 2018 Addendum to the Initial Study and Negative Declaration for the Stanislaus Weather Modification Program

## Introduction

In November 2005, the Northern California Power Agency ("NCPA") prepared an initial study and a negative declaration ("IS/ND") under the California Environmental Quality Act ("CEQA") for the Stanislaus Weather Modification Program ("Project") and in January 2006 NCPA adopted the IS/ND (attached hereto as Exhibit 1) and approved the Project. Project operations commenced with some weather modification work done during the later half of the 2006/2007 rainy season. In November 2007, NCPA approved a two-year contract for further weather modification operations during the 2007/2008 and 2008/2009 rainy seasons. In November of 2009, NCPA approved a three-year contract to extend weather modifications operations for the 2009/2010, 2010/2011, and 2011/2012 rainy seasons. In August of 2012 NCPA approved a 3-year contract to extend weather modification operations for the 2012/2013, 2013/2014, and 2014/2015 rainy seasons. And in July 2015 NCPA approved a 3-year contract to extend weather modification operations for the 2015/2016, 2016/2017, and 2017/2018 rainy seasons

Now, NCPA is proposing to approve an up-to 5-year contract to extend weather modification operations through the 2022/2023 rainy seasons.

## Applicability and Use of an Addendum

Under CEQA, lead agencies must conduct an evaluation of proposed changes to a project in order to determine whether further environmental analysis is required. (CEQA, § 21166; CEQA Guidelines, § 15162.) Once an EIR or negative declaration has been completed for a project, a lead agency may not require preparation of a subsequent environmental review unless the conditions set forth in CEQA section 21166 and CEQA Guidelines section 15162 are satisfied.

Pursuant to CEQA section 21166, when a previous environmental review for a project has been prepared and approved, no subsequent or supplemental environmental review shall be required unless:

> (a) Substantial changes are proposed in the project which will require major revisions of the environmental impact report.
>
> (b) Substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report.

(c) New information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available.

CEQA Guidelines section 15162 further clarifies that:

(a) When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:

(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;

(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

(b) If changes to a project or its circumstances occur or new information becomes available after adoption of a negative declaration, the lead agency shall prepare a subsequent EIR if required under subdivision (a). Otherwise the lead agency shall determine whether to prepare a subsequent negative declaration, an addendum, or no further documentation.

(c) Once a project has been approved, the lead agency's role in project approval is completed, unless further discretionary approval on that project is required. Information appearing after an approval does not require reopening of that approval. If after the project is approved, any of the conditions described in subdivision (a) occurs, a subsequent EIR or negative declaration shall only be prepared by the public agency which grants the next discretionary approval for the project, if any. In this situation no other responsible agency shall grant an approval for the project until the subsequent EIR has been certified or subsequent negative declaration adopted.

If none of the conditions set forth in CEQA Guidelines section 15162(b) allowing a lead agency to prepare a subsequent negative declaration are met, CEQA Guidelines section 15164 authorizes the lead agency to prepare an addendum to the previously approved negative declaration. In relevant part, CEQA Guidelines section 15164 states:

(b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.

It would appear that no further CEQA review is required since the Project approved a program of weather modification and the new, five-year contract proposal only seeks to continue the existing Project. However, in an abundance of caution, NCPA has chosen to examine the potential changes in the environmental impacts of the Project due to the extension of the duration of the Project, and any changes in environmental impacts due to changed conditions or the availability of new information have been evaluated and measured against the standards set forth above to determine if an addendum is appropriate. Based on the evidence before NCPA, including all evidence in NCPA's files, the IS/ND attached hereto, and all other evidence presented to NCPA, the modified Project does not trigger any of the circumstances that would require preparation of a subsequent EIR or negative declaration under Public Resources Code section 21166 or CEQA Guidelines section 15162, as further set forth in this Addendum.

## Description of the Proposed Project

With the exception of the extension of the duration of the Project, the description of the Project remains the same as that described in Chapter 2 of the attached IS/ND. In short, the Project proposes to continue the program of cloud seeding through the use of silver iodide, distributed by aircraft. The intent of the Project is to increase precipitation and the snowpack in the watershed of the North Fork Stanislaus River and Highland Creek

upstream of Lake Alpine, Utica and Union Reservoirs, and Spicer Meadow Reservoir and generally above the 6,600-foot contour. The increased precipitation will lead to increased runoff which, in turn, will provide more water to power NCPA's North Fork Stanislaus Hydroelectric facilities. The proposed modifications to the Project will allow NCPA to continue the Project for the 2018/2019, 2019/2020, 2020/2021, 2021/2022, and 2022/2023 rainy seasons.

## Environmental Impacts Associated with the Modified Project

### Changed Conditions

Because the elements of the Project will remain the same as the Project previously examined in the attached IS/ND, with the exception of the duration of the project, all direct Project impacts would remain the same as those identified in attached IS/ND in the absence of any changed conditions in the environment.

NCPA has no evidence that the environment in the Project location has changed in a way that would result in previously unexamined environmental impacts from the Project or an increase in the severity of any of the previously examined environmental impacts.

### New Information

NCPA has no evidence of any new information that was not available at the time of the previous IS/ND that would show that the Project may have new or previously unexamined significant impacts on the environment, with one potential exception. At the time of the previous IS/ND, it was not the practice in California to examine the potential climate change impacts of a project and, thus, no climate change analysis was performed in the previous IS/ND. Today, through legislative action such as AB 32 and SB 97, it has become clear that some analysis of potential climate change impacts is required.

*Background*

Various gases in the Earth's atmosphere, classified as atmospheric greenhouse gases (GHGs), play a critical role in determining the Earth's surface temperature. Solar radiation enters Earth's atmosphere from space, and a portion of the radiation is absorbed by the Earth's surface. The Earth emits this radiation back toward space, but the properties of the radiation change from high-frequency solar radiation to lower-frequency infrared radiation. Greenhouse gases, which are transparent to solar radiation, are effective in absorbing infrared radiation. As a result, this radiation that otherwise would have escaped back into space is now retained, resulting in a warming of the atmosphere. This phenomenon is known as the greenhouse effect. Among the prominent GHGs contributing to the greenhouse effect are carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and, to a certain extent, water vapor.[1]

[1] See http://lwf.ncdc.noaa.gov/oa/climate/gases.html.

The effects of increasing global temperature are far reaching and extremely difficult to quantify. The scientific community continues to study the effects of global climate change. In general, increases in the ambient global temperature as a result of increased GHGs is anticipated to result in rising sea levels which could threaten coastal areas through accelerated coastal erosion, threats to levees and inland water systems and disruption to coastal wetlands and habitat.

If the temperature of the ocean warms, it is anticipated that the winter snow season would be shortened. Snowpack in the Sierra Nevada provides both water supply (runoff) and storage (within the snowpack before melting), which is a major source of supply for the state. According to a California Energy Commission report[2], the snowpack portion of the supply could potentially decline by 20 to 40 percent by the end of the 21st century (CEC 2009). This phenomenon could lead to significant challenges securing an adequate water supply for a growing state population. Further, the increased ocean temperature could result in increased moisture flux into the state; however, since this would likely increasingly come in the form of rain rather than snow in the high elevations, increased precipitation could lead to increased potential and severity of flood events, placing more pressure on California's levee/flood control system. Sea level has risen approximately seven inches during the last century and, according to the CEC report, it is predicted to rise as much as an additional 35 inches by 2100, depending on the future GHG emissions levels (CEC 2009). If this occurs, resultant effects could include increased coastal flooding, saltwater intrusion and disruption of wetlands (CEC 2009). As the existing climate throughout California changes over time, mass migration of species, or worse, failure of species to migrate in time to adapt to the perturbations in climate, could also result.

*Project Impacts*

It is generally accepted that, due to the complexity and global nature of GHG emissions and the climate change phenomenon, it is likely impossible for an individual project to have a direct impact on climate change. Nevertheless, CEQA also requires that lead agencies examine the potential cumulative impacts of a project in conjunction with past, present, and reasonably foreseeable cumulative projects.

The Project here would have a **beneficial impact** on climate change, and may have an ameliorative effect on the impacts of climate change. First, the Project is specifically designed to remove an atmospheric GHG, water vapor, from the atmosphere. Second, the water vapor that the Project does remove from the atmosphere will contribute to snow pack and will be stored in existing reservoirs, thereby potentially aiding in California's need to obtain and store water. Finally, the water that the Project obtains will be used to generate electricity in NCPA's hydroelectric facilities. To the extent that this electricity

[2] Moser, Susie, Guido Franco, Sarah Pittiglio, Wendy Chou, Dan Cayan. 2009. *The Future Is Now: An Update on Climate Change Science Impacts and Response Options for California.* California Energy Commission, PIER Energy□Related Environmental Research Program. CEC□500□2008□071. ("CEC 2009)

replaces electricity generated from sources that release GHG into the atmosphere, the Project will help to reduce total GHG emissions.

The beneficial impact on climate change becomes evident when looking at the amount of GHG produced and offset. The PA-31P airplane being used for the seeding project uses about 80 gallons per hour on the climb out and 50 gallons per hour for the next two hours of flight on a 3 hour flight, giving an average of 60 gallons of fuel per hour. According to the US Energy Information Administration, aviation fuel produces about 18.40 lb $CO_2$/gallon. The average flight time per winter under this project is estimated to be less than 100 hours of flight time, which results in approximately 60 gallons/hour x 100hours x 18.40 lb $CO_2$/gallon = **110,400 lb $CO_2$ produced** per year from the cloud seeding operation. An average estimate of 18,263 acre-foot of additional water per year will be produced from 100 hours of seeding. NCPA hydro generation facilities have a power factor of 2.05 megawatts/acre-foot which results in approximately 2.05 MW/acre-foot x 18,263 acre-foot = 37,439 MWh of hydrogenation. This additional hydro generation is assumed to directly offset generation at a California natural gas power plant. Based on the Application for Certification (08-AFC-10) for NCPA's Lodi Energy Center (which is more efficient than the marginal natural gas power plant facility in California), the facility produces 0.36 metric tons (approximately 794 lb) of $CO_2$ per MWh. So the additional hydro generation created as a direct result of the cloud seeding results in a corresponding decrease in natural gas generation and associated emissions of approximately 794 lb $CO_2$ / MWh x 37,439 MWh = **29,726,566 lb** $CO_2$, which is more than 250 times as much $CO_2$ as is produced by the aircraft seeding flights.

For all of these reasons, NCPA finds that the Project will have a **beneficial impact** on climate change.

Cumulative Impacts

Though, as noted above, the modification to the Project will not change any of the direct impacts of the Project, the continued duration of the Project has the potential to increase the cumulative impacts of the Project as the duration of the Project is extended.

**Potential Cumulative Impact No. 1. Operational activities could continue to emit criteria pollutants into the atmosphere.**

As is described in the IS/ND and discussed above, the small, fixed-wing aircraft utilized in the Project would generate small amounts of criteria pollutants. However, the increased duration of the exhaust emissions from a small fixed-wing aircraft making 40 - 60 flights per year would not cumulatively impact the air quality in the vicinity of the project.

**Potential Cumulative Impact No. 2. Cloud seeding could affect large-scale or long term meteorology.**

As identified in the IS/ND, the Project would not affect large-scale nor long-term weather patterns. The increased duration of this project would not change this finding.

**Potential Cumulative Impact No. 3. The continued use of silver iodide as a cloud seeding nucleating agent could cause chronic toxic impacts to terrestrial and aquatic organisms.**

As identified in the IS/ND, existing ionic silver concentrations are one to two orders of magnitude below the threshold of significance. Moreover, as also noted in the IS/ND, it is difficult for ionic silver to accumulate in the environment at toxic levels due to its insolubility in water, its tendency to be strongly absorbed by organic colloids in the soil and in aquatic vegetation, and the dilution of ionic silver through the movement of water throughout the water shed. Thus, the continuation of cloud seeding operations using silver iodide is not expected to reach cumulative threshold levels of significance now or anytime in the near future.

**Potential Cumulative Impact No. 4. The accumulation of silver iodide or other silver complexes could alter the rate soil microorganisms decompose organic matter, thereby altering the processes by which nutrients are cycled through the forest ecosystems.**

As identified in the IS/ND, even though microorganisms in the soil are more sensitive to silver and silver compounds than plants or animals, direct toxicity of silver iodide to soil microorganisms at environmentally-relevant concentrations is difficult to demonstrate. Moreover, due to the extremely low levels of silver iodide used in cloud seeding operations, it would be difficult to even detect levels of silver iodide in the soil from weather modification. The increased duration of cloud seeding operations is not expected to change these findings.

**Potential Cumulative Impact No. 5. The continuation of the Project could cumulatively increase ionic silver in drinking water.**

As identified in the IS/ND, and above, silver iodide is insoluble in water and, thus, is not expected to form ionic silver when introduced to the water shed. Moreover, ionic silver as a strong tendency to bind to soil and aquatic vegetation, and thus is not expected to reach threshold concentrations in water. The increased duration of cloud seeding operations is not expected to change these findings.

## Conclusions

The continuation of the Project would not result in any new or substantially more significant impacts than those examined in the IS/ND and prior Addendums. Moreover there is no new information and there are no changed conditions that would result in any

new or substantially more significant impacts than those examined in the IS/ND and prior Addendums.

# Initial Study
# and
# Negative Declaration

## Stanislaus Weather Modification Program

**State Clearinghouse No. 2001032036**

***Prepared for:***

**Northern California Power Agency**
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**Roseville, California 95678**

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**November 2005**



# Preface

This Initial Study addresses the potential impacts associated with implementation of the Northern California Power Agency's (NCPA) proposed Stanislaus Weather Modification Program.

During July 2001, NCPA issued an Initial Study for its then proposed Stanislaus Weather Modification Program (State Clearinghouse No. 2001032036). At that time, the preferred alternative was to utilize ground-based generators to disperse the silver iodide into the atmosphere. Due to the time required for land acquisition and environmental permits, NCPA decided to utilize aerial application of the silver iodide by the use of a small fixed-winged aircraft. That project is described in the following Initial Study.

It has been determined that the proposed operating procedures and suspension criteria described in Appendix A would not have any significant impacts on the environment. The suspension criteria provide guidelines for curtailment of cloud seeding operations under specified conditions, including excess reservoir storage, total snowfall status, potential flood situations and severe weather threats. Project operations and suspension criteria would mitigate all potential adverse impacts associated with the Stanislaus Weather Modification Program to less than significant levels.

It should also be pointed out that only extremely low concentrations of silver iodide would be dispensed by the aircraft under specific weather conditions during cloud seeding operations. However, relatively low levels of silver could result in long-term or chronic toxicity to certain life stages of more sensitive aquatic organisms. Therefore, a conservative threshold level of no effect of 0.4 µg/l was established for this Initial Study. The Desert Research Institute has measured silver levels in water samples from Lower Blue Lake and Salt Springs Reservoir for the Pacific Gas and Electric Company (PG&E) as part of the Mokelumne Weather Modification Program. Monitoring results of water samples received in June 1995 reported silver levels of 0.0074 µg/l in Lower Blue Lake and 0.0063 µg/l in Salt Springs Reservoir. These reported results are two orders of magnitude lower than the established threshold level at which there would be no significant effects. Due to the fact that cloud seeding has occurred in the Mokelumne watershed for over 50 years, it is highly unlikely that cloud seeding operations in the North Fork Stanislaus River watershed would result in any appreciable increase in the accumulation of silver to levels approaching the conservative threshold level of 0.4 µg/l.

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# Chapter 1
# Introduction

## Overview and Purpose

The Northern California Power Agency (NCPA) anticipates implementing the Stanislaus Weather Modification Program. The weather modification program (cloud seeding) would augment winter snowfall in the higher elevations of the North Fork Stanislaus River watershed upstream of Spicer Meadow Reservoir (Figure 1-1).

The proposed action, which is the subject of this Initial Study, includes the operation of fixed-winged aircraft (e.g., Cessna 304A) to seed the clouds during storm events. The proposed action would not increase storm frequency; however, it would enhance precipitation (snowfall) from naturally occurring storms. The amount of precipitation added by cloud seeding is difficult to determine because of the natural variability of precipitation and the difficulty of obtaining representative measurements. However, it is anticipated that the program would enhance runoff approximately 7.5 percent.

The target area, which is the area in which increased precipitation (snowfall) is desired, is the 74 square mile watershed above Spicer Meadow Reservoir, Utica and Union Reservoirs, and Lake Alpine. Most of the watershed is above the 6,600 foot elevation contour. The operational season, when cloud seeding would occur, would be from November 1 through May 31.

## Need for Project

Increased runoff in the target area (i.e., watershed above Spicer Meadow Reservoir, Utica and Union Reservoirs and Lake Alpine) would pass through the North Fork Stanislaus Hydroelectric Development Project's [Federal Energy Regulatory Commission (FERC) Project No. 2409] power plants at Spicer Meadow and Collierville. The combined generation capacity of these two power plants is 258 megawatts. This increased runoff would also pass through downstream power plants at New Melones and Lake Tulloch.

Additional beneficiaries of the Stanislaus Weather Modification Program would be the users of streams, lakes and reservoirs within the target area for recreational purposes such as boating and fishing. Within the targeted watershed, augmented snowfall and subsequent runoff may also benefit forest growth and resistance to drought-related stress *(Parsons Engineering Science, Inc., October 1995)*.

## Environmental Compliance

The Stanislaus Weather Modification Program is subject to the requirements of the California Environmental Quality Act (CEQA). Therefore, the following Initial Study has been prepared in accordance with CEQA and the State CEQA Guidelines.

## Designation of Lead Agency

Section 15051(a) of the State CEQA Guidelines states:

> *If the project will be carried out by a public agency, that agency shall be the Lead Agency even if the project would be located within the jurisdiction of another public agency.*

Therefore, NCPA is the designated Lead Agency for CEQA purposes.

## Purposes of an Initial Study

The purposes of an Initial Study, as outlined in §15063(c) of the CEQA Guidelines, are:

1) *Provide the Lead Agency with information to use as the basis for deciding whether to prepare an EIR or a Negative Declaration;*

2) *Enable an applicant or Lead Agency to modify a project, mitigating adverse impacts before an EIR is prepared, thereby enabling the project to qualify for a Negative Declaration;*

3) *Assist the preparation of an EIR, if one is required, by:*

    a) *Focusing the EIR on the effects determined to be significant,*
    b) *Identifying the effects determined not to be significant,*
    c) *Explaining the reasons for determining that potentially significant effects would not be significant, and*
    d) *Identifying whether a program EIR, tiering, or another appropriate process can be used for analysis of the project's environmental effects.*

4) *Facilitate environmental assessment early in the design of a project;*

5) *Provide documentation of the factual basis for the finding in a Negative Declaration that a project will not have a significant effect on the environment;*

6) *Eliminate unnecessary EIR's; and*

7) *Determine whether a previously prepared EIR could be used with the project.*

## Contents of an Initial Study

The contents of an Initial Study are defined in §15063(d) of the CEQA Guidelines as follows:

1) *A description of the project including the location of the project;*

2) *An identification of the environmental setting;*

3) *An identification of environmental effects by use of a checklist, matrix, or other method, provided that entries on a checklist or other form are briefly explained to indicate that there is some evidence to support the entries. The brief explanation may be either through a narrative or a reference to another information source such as an attached map, photographs, or an earlier EIR or negative declaration. A reference to another document should include, where appropriate, a citation to the page or pages where the information is found;*

4) *A discussion of ways to mitigate the significant effects identified, if any;*

5) *An examination of whether the project would be consistent with existing zoning, plans, and other applicable land use controls;*

6) *The name of the person or persons who prepared or participated in the Initial Study.*

## Intended Use of the Initial Study

The Initial Study will be presented to the Northern California Power Agency's Commission for its use in implementing the California Environmental Quality Act (CEQA). The basic purposes of CEQA as outlined in §15002(a) of the CEQA Guidelines are to:

1) *Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities.*

2) *Identify the ways that environmental damage can be avoided or significantly reduced.*

3) *Prevent significant avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.*

4) *Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.*

As pointed out above, one purpose of an Initial Study is:

> Provide the Lead Agency with information to use as the basis for deciding whether to prepare an Environmental Impact Report (EIR) or Negative Declaration.

## Lead Agency Decision Making Process

The Lead Agency (i.e., Northern California Power Agency) would base its decision on the project on the findings contained within this Initial Study plus the professional knowledge and judgment of its staff and consultants. During the review process, mitigation measures contained in this document should be evaluated with respect to their effectiveness in reducing impacts to a level of insignificance. Public input, including responsible and trustee agencies, should also be requested and evaluated during the review process.

The approval process for the proposed project will begin with Northern California Power Agency's Commission making a decision to prepare a Negative Declaration or an Environmental Impact Report for the project. Should the Agency decide to prepare a Negative Declaration, based on this Initial Study, it would also determine whether or not it would approve of the project in accordance with §15074 of the CEQA Guidelines. Should the Agency decide to prepare an Environmental Impact Report for the project, it would also have to make findings in accordance with §15091 of the CEQA Guidelines and to certify the Final Environmental Impact Report in accordance with §15090 of the CEQA Guidelines.

## Approvals for which this Initial Study will be Used

No other public agency has jurisdiction over this project. However, the California Department of Water Resources must be notified that a cloud seeding program is going to be carried out.

# Chapter 2
# Project Description

## Introduction

During 1982, the Calaveras County Water District (CCWD) received a FERC License for its North Fork Stanislaus River Hydroelectric Development Project (FERC Project No. 2409). Subsequently, under the terms of a power purchase contract, NCPA constructed the project and began commercial operation in January 1990. The North Fork Project includes a large storage Reservoir (Spicer Meadow Reservoir), three diversion dams (North Fork, Beaver Creek and McKays Point), three tunnels and two power plants with a combined generation capacity of about 258 megawatts (MW).

Spicer Meadow Reservoir, located on Highland Creek, has a total storage capacity of 189,000 acre-feet. The North Fork Diversion Dam and Tunnel also diverts water previously stored in Lake Alpine and Utica and Union Reservoirs into Spicer Meadow Reservoir. These combined watersheds cover approximately 74 square miles with elevations ranging from 6,600 feet to 9,700 feet and produce an average annual runoff of 160,200 acre-feet. Approximately 90 percent of the precipitation in this watershed falls during California's wet season, October through May, and mostly accumulates as snow during the November through April period.

In order to augment winter snowfall in the watershed above Spicer Meadow Reservoir, NCPA anticipates the implementation of a weather modification program which is also known as a cloud seeding program. The operational season would be from November 1 through May 31. The weather modification program would not increase storm frequency but would enhance precipitation from naturally occurring storms. The amount of precipitation added by cloud seeding is difficult to determine because of the natural variability of precipitation and the difficulty of obtaining representative measurements.

Based on other weather modification programs in the area, the proposed Stanislaus Weather Modification Program would attempt to increase snowpack from 6 to 10 percent. In terms of the resultant annual average runoff, the expected benefit from this program would likely be an approximate 7.5 percent increase *(PG&E, June 3, 1996)*. Cloud seeding typically results in an increase in precipitation (snow fall) from more moderate storms. Sublimation of the snowpack, soil adsorption of snow melt and subsequent evapotranspiration and groundwater recharge are factors that contribute to the lower increases in runoff directly attributable to cloud seeding. These factors exhibit considerable variation between different storm events and seasons (*Parsons Engineering Science, Inc., October 1995).*

For purposes of this report, a 15 percent maximum increase in snowpack and a 10 percent maximum increase in runoff is assumed in order to examine the environmental impacts of the proposed program in a conservative manner.

## History of Weather Modification Programs

For the past 60 years, technologies to influence weather have been used in attempts to alleviate droughts or the effects of hazardous storms. Today, operational weather-modification programs exist in more than 24 countries, and in 2001 at least 66 efforts to alter the weather were conducted in 10 states across the United States *(The National Academies, 10/29/05).*

As stated in Parsons Engineering Science, Inc's October 1995 Environmental Assessment, weather modification programs (cloud seeding) were first initiated in California during the 1947/48

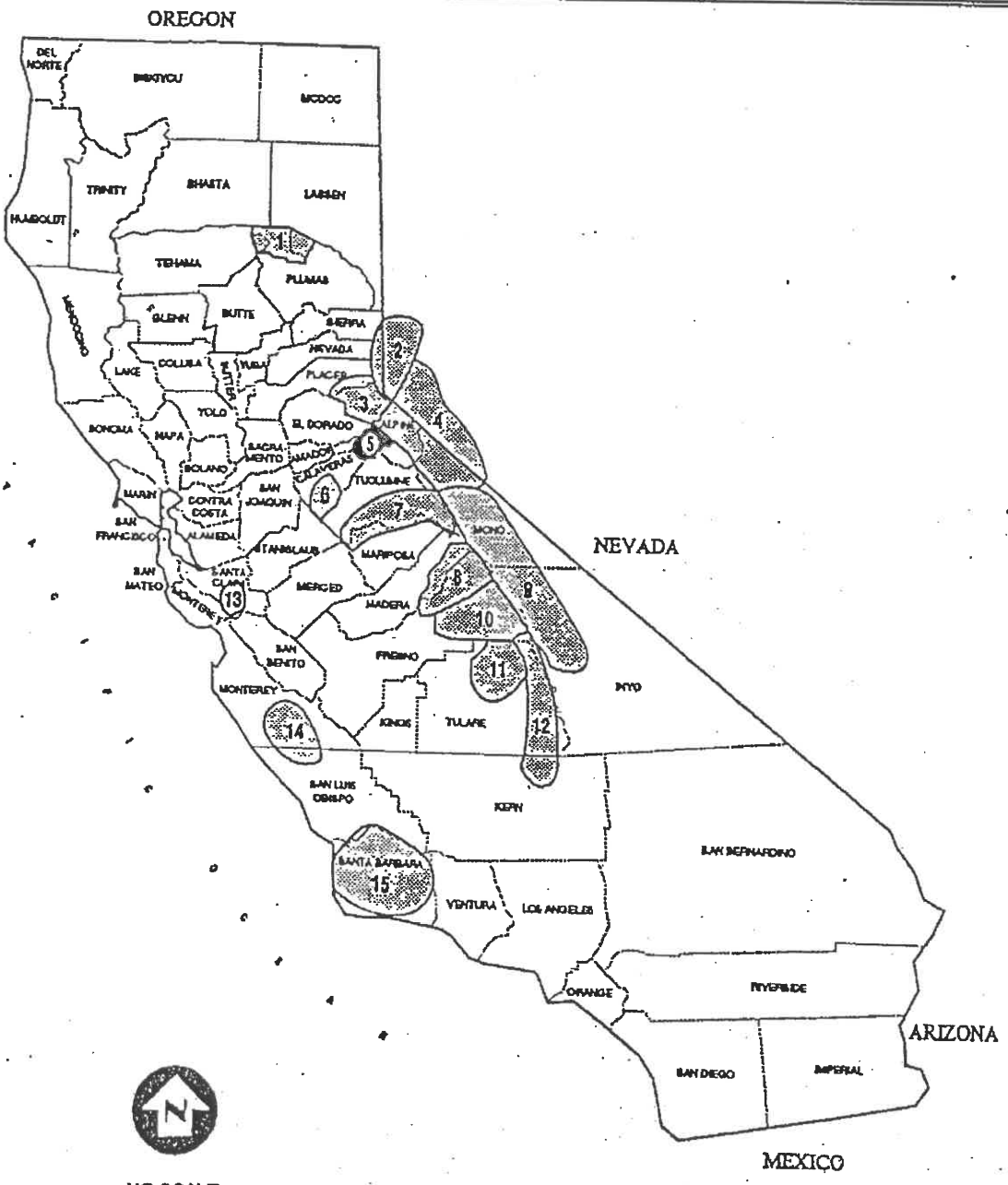
water year. There have been operational programs conducted in California each year since that date.

Modern cloud seeding efforts for the purpose of increasing rain and snow over numerous areas in California began with a few landmark programs in the late 1940's and early 1950's. Some of these early projects that are still active, along with the initial year of operation, are listed below:

- The California Electric Power Company (now Southern California Edison Company) program over the Bishop Creek watershed of the eastern Sierra (1948).
- The Southern California Edison Company program over the Upper San Joaquin River Basin (1950).
- The Pacific Gas and Electric Company program over the Lake Almanor Watershed (1953).
- The Kings River Conservation District program over the Kings River Watershed above Pine Flat Dam (1954).

The purpose of these programs is to enhance precipitation for water supplies and/or hydroelectric power. Over the past 50+ year period, a broad range of statistical analyses and physical studies have been used to evaluate many of these programs. Based on various evaluations, program sponsors have concluded that these operations have produced 5 to 10 percent increases in average annual streamflow runoff and up to 15 percent increases in coastal mountains *(Parsons Engineering Science, Inc., October 1995)*.

At the present time, there are 15 operational cloud-seeding programs active in California. The northernmost program is the Lake Almanor Program, conducted by PG&E over a portion of the Feather River drainage basin. The most southerly program in California is the Santa Barbara Project sponsored by the County of Santa Barbara. A map showing the locations of these 15 cloud-seeding programs being conducted in California is presented on Figure 2-1. A list of these projects and their sponsors is also included in Table 2-1.




NO SCALE

Source: Parsons Engineering Science, Inc., October 1995

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Figure 2-1

Cloud Seeding Programs in California

Initial Study
Stanislaus Weather Modification Program
Northern California Power Agency
180 Cirby Way
Roseville, California 95678

**Table 2-1**
**Cloud-Seeding Programs in California**

| Program Designation | Sponsor |
|---|---|
| 1. Lake Almanor | Pacific Gas and Electric Company |
| 2. Tahoe-Truckee | State of Nevada |
| 3. American River | Sacramento Municipal Utility District |
| 4. Carson/Walker Rivers | State of Nevada |
| 5. Mokelumne River | Pacific Gas and Electric Company |
| 6. Calaveras River | Stockton East Water District |
| 7. Tuolumne River | Turlock and Modesto Irrigation Districts |
| 8. San Joaquin River | Southern California Edison Company |
| 9. Eastern Sierra | Los Angels Department of Water and Power |
| 10. Kings River | Kings River Conservation District |
| 11. Kaweath River | Kaweath Delta Water Conservation District |
| 12. Kern River | North Kern Water Storage District |
| 13. Santa Clara County | Santa Clara Water Agency |
| 14. Monterey County | Monterey County Water Resources Agency |
| 15. Santa Barbara | Santa Barbara County |

The location of these projects is shown on Figure 2-1.

Source: Parsons Engineering Science, Inc., October 1995.

## Cloud-Seeding Programs in Project Area

Other cloud-seeding programs in the vicinity of the Stanislaus Weather Modification Program include the Mokelumne River program sponsored by the Pacific Gas and Electric Company (PG&E), Carson/Walker Rivers program sponsored by the State of Nevada, the American River program sponsored by the Sacramento Municipal Utility District (SMUD), and the Calaveras River program sponsored by the Stockton East Water District (SEWD) (Figure 2-1). The Mokelumne River program, immediately adjacent to the proposed program, provides an augmented water supply for PG&E's Salt Springs Reservoir. Water from the Carson/Walker Rivers program serves primarily agricultural interests and some recreational interests in the State of Nevada and eastern California. The purpose of the SMUD program is snowfall augmentation for hydroelectric projects. The general target area of the SMUD program includes the Crystal Basin (Loon Lake and Union Valley). The Calaveras River program, located to the west of the proposed program, operated by SEWD, provides rainfall augmentation by aerial cloud seeding to serve the New Hogan Reservoir watershed for agricultural interests (66 percent) and urban interests (34 percent).

## Project Location

The project location includes the target area for snowpack enhancement as well as the area where aerial seeding will be performed. The target area for increased snowpack enhancement is the watershed of the North Fork Stanislaus River and Highland Creek upstream of Lake Alpine, Utica and Union Reservoirs, and Spicer Meadow Reservoir and generally above the 6,600-foot contour (Figure 2-2). The target area includes approximately 74 square miles in Alpine and Tuolumne Counties. The nearest community to the target area is Bear Valley with a population of about 133 persons *(U.S. Census, 2000)*.

## Project Objectives

Based on a previous study for the Stanislaus Weather Modification Program *(PG&E, 1996)*, the program is designed to meet the following objectives:

- Augment winter snow accumulations in the watersheds above Spice Meadow Reservoir, Utica and Union Reservoirs, and Lake Alpine.

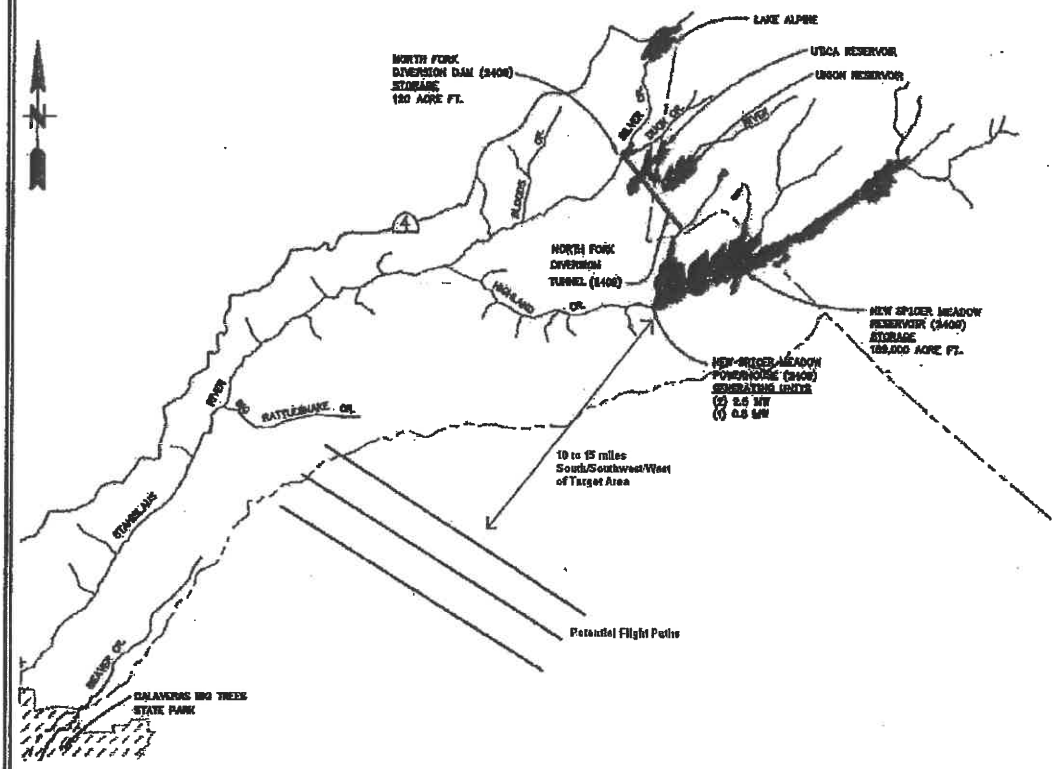


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Figure 2-2

Potential Flight Paths

Initial Study
Stanislaus Weather Modification Program
Northern California Power Agency
180 Cirby Way
Roseville, California 95678

- Augment runoff into Spicer Meadow Reservoir.
- Achieve a net benefit to NCPA based on increased power production.

# Proposed Project

## Introduction

At a recent meeting at the California Energy Commission Building in Sacramento, discussions by the Weather Modification Association (WMA) included discussions regarding the improved results of aerial seeding versus ground-based seeding programs in the southern Sierra Nevada Range. NCPA participated in theses discussions and with the cooperation of WMA members, aerial seeding is proposed as the method to augment the snowpack accumulation in the NCPA target watershed.

Silver iodide aerosol has long been recognized as a material which can cause ice nucleation (the creation of new ice crystals) when it is dispersed into clouds containing supercooled liquid water droplets at temperatures below -5°C. Clouds containing supercooled water droplets occur frequently over the Sierra Nevada mountains during winter storms, as the associated storm winds lift moist air up the mountain slopes. These clouds are referred to as orographic clouds. The supercooled water droplets are most numerous in the lower portions of the cloud systems, expecially where moisture supply and air lifting is causing rapid condensation. Natural ice nuclei, for example, dust particles, can be locally deficient in number to act upon the number of supercooled water droplets in the area where rapid condensation is occurring. Thus, introduction of silver iodide particles to these lower portions of the cloud system offers additional sites for new ice crystals to be initiated.

Ice nucleation by silver iodide type aerosols occurs by a variety of mechanisms (e.g., contact, condensation, freezing or deposition). It has been shown that the effectiveness of these processes vary with cloud temperature, supercooled liquid water content, supersaturation, ice nucleus aerosol chemistry and particle size distribution and time frames available for growth of new ice crystals. Once silver iodide initiates the growth of a new ice crystal, its growth can proceed without limiting the growth of naturally occurring ice crystals provided supersaturations over ice are maintained by the presence of sufficient supercooled liquid water and vapor. Given adequate time, water droplet, and vapor supplies in the seeded cloud, all ice particles can continue to grow to sizes which ultimately fall to the ground. By seeding cloud systems when favorable conditions exist, more water can be precipitated, within a given time frame, than would have occurred naturally. This is the static cold cloud seeding hypothesis which forms the basis for conducting snow augmentation programs.

## Cloud Seeding in the Sierra Nevada

In wintertime cloud seeding programs, the primary goal is to achieve active ice nuclei concentrations of 10-100 per liter within the specific cloud volume over the target where supercooled liquid water is present in concentrations of 0.05-0.5 gm/m$^3$. In the Sierra Nevada, this is particularly important in the lower altitude regions below 10,000 feet where the temperature is frequently in the range of -3 to -10° C. Studies in the Sierra have shown supercooled liquid water conditions frequently exist and suggest that icing occurs approximately 400 to 500 hours per year at temperatures in this range and with mountain top wind directions of 180 to 220 degrees true. The important parameters which determine the seeding material release rate are the area coverage and depth of cloud above the -5°C isotherm and the horizontal wind velocity fields.

The number of ice nuclei flares required to achieve effective treatment of the cloud volume over the target is dependent upon both the intensity and duration of a particular storm as well as any other seeding activities that may be occurring in the immediate vicinity such as ground seeders by nearby programs. The aerial seeding location upwind of the target watershed along a path perpendicular to the wind direction, at distances related to the storm wind velocities and ice crystal growth times. The flare activation also needs to consider the ice nucleation activity spectrum of the seeding materials used and the rate these ingredients become active. These variables are dependent upon cloud temperature, liquid water content, and seeding ingredients in the flares. Maximum effectiveness of a project will come from seeding every storm provided certain public safety criteria are fulfilled, supercooled liquid water is present and windflow parameters are neither too high nor low to achieve sufficiently low concentrations of ice crystals or high growth times.

## Stanislaus Weather Modification Program

The Stanislaus Weather Modification Program will be conducted by a private entity (e.g., Atmospheric, Inc.) under contract to the Northern California Power Agency. Under the terms of the contract, the contractor shall furnish and have available for use during the operational period the following equipment and personnel:

- The services of a competent staff on a 24-hour per day, 7-day per week basis, to furnish full meteorological data.

- All weather data will be available at the location of the Contractor's head office in Fresno and will be used to coordinate various phases of the field program. These data will be passed by FXA and Internet to the radar field headquarters on a daily basis whenever the station is active.

- A 5 cm weather radar system will be permanently based at the Modesto Airport that will act as the field operational headquarters for the program. It shall be located so as to "see" the full target area and have a maximum range of not less than 450 km.

- A cloud seeding aircraft will be permanently based at the Modesto Airport. This aircraft will be equipped for all-weather flying. It will be further equipped with facilities for dispensing silver iodide freezing nuclei, carbon dioxide, and other such nuclei as may be appropriate for use in cloud seeding activities throughout the target area. The Contractor's aircraft and equipment thereon will be certified by the Federal Aviation Administration (FAA) and all pilots operating aircraft for or on behalf of the Contractor shall be duly licensed by the FAA.

- The following core staff at the head office in Fresno who will be available on a full-time basis for all required activities associated with the Stanislaus Weather Modification Program:

    - One radar meteorologist/forecaster.
    - One instrument rated cloud seeding pilot.

    These persons will be located on a full-time basis 24-hours per day, 7-days per week, near enough to the airport and radar field headquarters so they would require less than 30 minutes travel time from their living quarters to the radar and project aircraft for all project activities.

- The Contractor will launch seeding flights only when the radar system indicates that seedability is either "excellent" or "good" as specified under the following criteria:

- **Excellent:** Cloud depths are greater than at least 10,000 feet from base to tops. Very few natural ice crystals are noted between -5°C and -12°C. Aircraft icing is persistent and, on some occasions, may require a lower altitude "melt-off".

- **Good:** Cloud depths are near 10,000 feet thick from base to tops. Supercooled liquid water produces modest icing on the aircraft. The natural SLW ice crystal ratios are reasonably high in temperatures warmer than -12°C.

- The Contractor will comply with the suspension program outlined in Appendix A of this Initial Study. The Contractor will be maintain, and be responsible for, specific suspension criteria designed to avoid contributing to, or appearing to contribute to, hazardous situations from naturally occurring weather related phenomena. These items relevant to the program include total snow and rainfall status, potential flood situations, avalanche hazards, severe weather threats, and other special circumstances such as search and rescue missions within the target area.

The aircraft, a Cessna 340A, would hold 32 burn-in-place flares, 150 grams each. Each flare burns for about 4 minutes. A flare would burn continuously while in icing conditions (supercooled liquid water). If perfect seeding conditions were encountered during the entire flight, 4,800 grams of silver iodide complex nuclei would be released in approximately 2 to 2 ½ hours of seeding time. It is important to point out that not all storms have liquid water continuously, so it is anticipated that the average flight would release 12 to 15 flares.

Based on a study of seeding tracks for the target area, the Contractor anticipates that tracks upwind to the northwest and southwest would be the best. These would range from about 8 miles upwind to a maximum of about 25 miles out in the southwest depending on the wind speeds and altitude. Seeding altitudes on these tracks would run at 13,000 feet on the northwest tracks and from 9,000 to 11,000 feet on the southwest tracks.

## Water-Yield Potential

Individual seeding plumes were estimated to have approximate widths ranging from 1.5 to 3.0 kilometers (km) as they cross the target area. For purposes of this report, an estimate of 2.25 km (≈ 1.4 miles) is used. Typical cross-watershed transport of seeding plumes ranges in distances of 10 to 20 km. For purposes of this report, an estimate of 16 km (≈ 10 miles) is used. Therefore, a seeding plume would cover approximately

$$1.4 \text{ mi} \times 10 \text{ mi} \times 640 \text{ acres/mi}^2 = 8{,}960 \text{ acres as it traverses the target area}$$

Cloud seeding studies have shown that cloud seeding can augment precipitation rates by 0.1 to 1.0 mm/hr in Sierra Nevada orographic clouds *(PG&E, June 3, 1996)*. For purposes of this report, an estimate of 0.015 in/hr is used. Based on this estimate, the water yield of a cloud seeding plume crossing the target area would be

$$8{,}960 \text{ acres} \times 0.015 \text{ in/hr} \times 1 \text{ ft}/12 \text{ in} = 11.2 \text{ acre-feet/hour/plume}$$

There have been about 44 seedable events (adjusted for cancelled operations) of 11 hours each during past winter seasons in the Mokelumne Program. This number is lower than full potential that could apply to NCPA's watershed because the Mokelumne seeding was suspended before season end due to adequate snowpack an average of four out of ten years. A conservative estimate of the number of seeding hours per season over the target area would be

$$44 \text{ events} \times 11 \text{ hours/event}$$

Therefore, the seasonal yield of a cloud seeding plume traveling over the target area would be

11.2 acre-feet/hr x 484 hours = 5,420 acre-feet

The objective would be to position as many seeding plumes over the watershed during prime seedable weather conditions as possible. However, this objective would have to be tempered (limited) by not over-seeding the same cloud volume with too many seeding plumes concurrently (this could reduce the water yield).

It is estimated that two to four plumes enhancing snowfall over the target area during seedable weather conditions would occur. For purposes of this report, an estimate of 2.5 plumes as a long-term average number of plumes effectively targeting the target area during any given seeding operation is used. Based on the 2.5 plume estimate, the seasonal precipitation enhancement is estimated at

2.5 plumes x 5,420 acre-feet/plume = 13,550 acre-feet

This represents about an 8.5 increase in potential annual runoff from the Spicer Meadow Reservoir watershed.

## Net Benefit Analysis

### Benefit

Based on the assumption that after evaporative losses (deduction of 1 percent), the NCPA cloud seeding program would produce a 7.5 percent increase, the increased runoff would equal

160,200 acre-feet x 0.075 = 12,015 acre-feet

If this runoff were utilized by NCPA's hydroelectric facilities, which have a power factor of 2.05 megawatt hours per acre-foot, and based on the assumption that the value of the energy equals 50 mills per kilowatt hour, the benefit of the added hydroelectric power would be:

12,015 ac-ft/yr x 2,050 kwhr/ac-ft x $0.075/kwhr = $1,847,000 per year.

### Project Cost

The costs of the proposed Stanislaus Weather Modification Program are as shown in Table 2-2.

**Table 2-2**
**Estimated Costs of Stanislaus Weather Modification Program**

| Item | Estimated Cost |
|---|---|
| Startup | $80,000 |
| Recurring | |
| Annual contract costs | $170,000 |
| Administrative | $25,000 |
| Total First Year Costs | $275,000 |

### Estimate of Five-Year Net Benefit

An estimate of the five-year net benefit of the Stanislaus Weather Modification Program is provided in Table 2-3.

**Table 2-3**
**Estimate of Five-Year Net Benefit**
**Stanislaus Weather Modification Program**

| Item | Amount |
|---|---|
| 5-year gross benefit = 5 x $1,847,000 | $9,235,000 |
| 5-year costs= $275,000 + 4($195,000) | $1,055,000 |
| Minimum 5-year net benefit to NCPA | $8,180,000 |

Based on the estimates shown in Tables 2-2 and 2-3, the benefit/cost ratio after the initial startup cost would be

$$\$1,847,000 \div \$195,000 = 9.5:1.0$$

It should be pointed out that the above benefits are based on an assumed value of energy of 75 mills per kilowatt-hour. Other values of energy would change these estimates.

# Chapter 3
# Environmental Setting

## Introduction

The social, economic and environmental setting of the project area is important for the decision-maker and the public. The environmental setting is the starting point from which forecasts of the environmental impacts of the proposed action must be made. Therefore, the following section contains a detailed description of the environmental setting in the area of the proposed Stanislaus Weather Modification Program.

## Aesthetics

The Carson-Iceberg Wilderness is a rugged landscape of great scenic beauty dominated by volcanic ridges and peaks. Prominent in the southwestern portion are the Dardanelles. There are many streams flowing though deep granitic canyons but few lakes. Elevations range from aobut 5,000 feet near Donnells Reservoir to 11,462 feet at Sonora Peak. From some vantage points, one can view vast desert to the east and dense conifer forest to the west.

## Agricultural Resources

The project area includes timberlands in Alpine, Calaveras and Tuolumne Counties. There are no prime farmlands or unique farmlands of statewide importance in the project area.

## Air Quality

### Meteorology and Topography

Meteorological and topographical conditions play an important role in a project of this nature because they can determine the success of the seeding activities and determine how well seeding agents and air pollutants generated by the project will be dispersed. Specific meteorological conditions trigger when to initiate seeding. Atmospheric conditions such as wind speed, wind direction, and air temperature gradients interact with the physical features of the landscape to determine the movement and dispersal of the air pollutants.

### Topography

This area is characterized by complex terrain consisting of mountain peaks, valleys, and several lakes. Elevations range from 6,600 feet near Spicer Meadow Reservoir to over 9,700 feet on the adjoining peaks. Forced lifting of air as it passes over hills or mountains can produce orographic clouds which are sometimes seeded. The varying terrain can also cause an area to be subject to a combination of climatic factors which result in a low potential for accumulation of pollutants near water and a slightly higher potential in sheltered valleys. The low accumulation potential near water is caused by atmospheric turbulence created by the temperature differential between land and water surfaces.

### Temperature

The target area experiences several different temperature regimes. Higher elevations have colder temperatures than surrounding valleys. Temperatures near lakes are moderated due to

differential heating between land and water surfaces. This results in colder temperatures in the summer and warmer temperatures in the winter compared to areas away from water.

There are no National Oceanic and Atmospheric Administration (NOAA) sponsored temperature monitoring stations in the project area. However, there are two representative stations close by (Salt Springs and Twin Lakes). Salt Springs is located immediately west of the target area at an elevation of approximately 4,000 feet. Temperatures typically range from 30° F to 60° F in the winter and 60° F to 90° F in the summer. The other station (Twin Lakes) is located northeast of the target area at an elevation of approximately 8,000 feet. Temperatures at this station vary between 10° F and 40° F in the winter and 40° F to 70° F in the summer *(NOAA, 1982)*.

## Inversions

A temperature inversion, which may be described as a layer, or layers, or warm air above a cooler layer of air, acts as a nearly impenetrable lid to the vertical mixing of the atmosphere, thus inhibiting dilution of near-surface air pollutant emissions. The height above the surface through which vertical mixing occurs is called the mixing height. The stabilities associated with inversions can lead to orographic cloud growth at the level of the inversion. The strongest inversions and resulting lowest mixing heights occur primarily during the morning hours. Summer inversions usually are caused by the compressional warming or air as it sinks toward the earth's surface under the influence of the Pacific High. When local or seasonal cooling of the earth's surface occurs, as it does most frequently during the fall and winter, ground-based (radiative) inversions form. Both types of inversions can occur, however, at any time during the year.

Determination of actual mixing heights in the target area is difficult due to the lack of monitoring data and varying terrain. Holzworth (1972) created mixing height contours based on available data, so that existing heights could be estimated in areas without data. These contours show that the annual average morning mixing height is 450 meters and the annual average afternoon mixing height is about 2,000 meters. Typically, mixing heights are lower in the morning during the summer months compared to winter months. The opposite is true during the afternoon.

Temperature inversions would rarely occur during the periods when NCPA would perform cloud seeding operations. These periods would typically be windy, cloudy, precipitating storm periods and atmospheric mixing in these conditions/periods is not conducive to inversions or air pollutant accumulation.

## Precipitation

The summer climate of California is dominated by a semi-permanent, high pressure region centered over the eastern Pacific Ocean termed the "Pacific High". The Pacific High generally remains fixed offshore from May through September. Because of this persistent high-pressure cell, the jet stream is directed away from California; therefore, storm systems rarely affect the area during the summer.

In winter, the Pacific High weakens and shifts southward and storms become more frequent in California. Precipitation data from the two monitoring stations near the target area (Salt Springs and Twin Lakes) show that the precipitation primarily occurs between October and May. Much of the precipitation during this time frame falls as snow. Very little precipitation is observed during the balance of the year, usually less than one inch per month. The annual average precipitation (rainfall plus snowfall converted to equivalent inches of water) for the area is usually between 40 and 60 inches *(NOAA, 1982)*.

## Wind

Wind flows are important because they determine what direction a storm system will move and how air pollutants will be dispersed. Air pollutant can accumulate in sheltered valleys when light winds combine with reversals of wind direction between daytime up-valley and nighttime down-valley air flow, or when calm winds persist for extended periods.

Examination of the terrain in the target area, as well as general wind flow patterns, indicated that the wind in generally from the southwest quadrant in the valleys and the southern quadrant at mountain peaks. Valley areas may experience a nighttime reversal of air flow. The diurnal pattern in one of calmer conditions (4 to 9 knots) prevailing during the night and the strongest winds (9 to 16 knots) occurring during the afternoon *(Parsons Engineering Science, Inc., October 1995).*

PG&E has two wind monitoring stations in the greater project area. One station, Mt. Reba, is indicative of mountain conditions. The other station, Salt Springs, represent conditions that would occur in a valley. Data monitored on Mt. Reba indicate that winds are predominantly from the south. The average wind speed is approximately 10 knots. Winds for the most part are between 5 and 15 knots. Data from Salt Springs show that the predominant direction is from the southwest. A nighttime reversal does appear, indicated by the predominant nighttime wind direction being from the north *(Parsons Engineering Science, Inc., October 1995).*

## Air Pollutants

The Stanislaus Weather Modification Program lies within the Mountain Counties Air Basin and the Great Basin Valley Air Basin. Tuolumne County lies within the Mountain Counties Air Basin and Alpine County lies within the Great Basin Valley Air Basin.

Pollutants regulated by the State and federal Clean Air Acts fall under three categories:

- criteria air pollutants
- toxic air contaminants, and
- global warming and ozone depleting gases.

Pollutants in each of these categories are monitored and regulated differently. Criteria air pollutants are measured by sampling concentrations in the air, toxic air contaminants are measured at the source and in the general atmosphere, and global warming and ozone-depleting gases are not monitored but are subject to federal and regional policies that call for their reduction and eventual phaseout. *(SCAQMD, 1999)*

Criteria air pollutants are defined as those pollutants for which the federal and state governments have established air quality standards for outdoor or ambient concentrations to protect public health. Those standards have been set at levels to protect the human health with an adequate margin of safety.

The following paragraphs describe the source and health effects of the criteria pollutants. In addition, Table 3-1 lists the primary emission sources of the criteria pollutants and some of the harmful effects of the pollutants.

**Table 3-1**
**Primary Sources and Effects of Criteria Pollutants**

| Pollutant | Source | Primary Health Effects |
|---|---|---|
| Lead (Pb) | Contaminated soil | Impairment of blood function and nerve construction.<br>Behavioral and hearing problems in children |
| Sulfur Dioxide ($SO_2$) | Combustion of sulfur-containing fossil fuels. Smelting of sulfur-bearing metal ores. Industrial processes. | Plant injury.<br>Reduced visibility.<br>Deterioration of metals, textiles, leather, finishes, coatings, etc.<br>Irritation of eyes.<br>Reduced lung function.<br>Aggravation of respiratory diseases (asthma, emphysema). |
| Carbon Monoxide (CO) | Incomplete combustion of fuels and other carbon-containing substances, such as motor vehicle exhaust. Natural events, such as decomposition of organic matter. | Plant injury.<br>Reduced visibility.<br>Deterioration of metals, textiles, leather, finishes, coatings, etc.<br>Irritation of eyes.<br>Reduced lung function.<br>Aggravation of respiratory diseases (asthma, emphysema). |
| Nitrogen Dioxide ($NO_2$) | Motor vehicle exhaust. High temperature stationary combustion. Atmospheric reactions. | Reduced plant growth.<br>Reduced visibility.<br>Aggravation of respiratory illness.<br>Formation of acid rain. |
| Ozone ($O_3$) | Atmospheric reaction of organic gases with nitrogen oxides in sunlight. | Plant leaf injury.<br>Irritation of eyes.<br>Aggravation of respiratory and cardiovascular diseases.<br>Impairment of cardiopulmonary function. |
| Fine Particulate Matter ($PM_{10}$) | Secondary combustion of solid fuels. Construction activities. Industrial processes. Atmospheric chemical reactions. | Soiling.<br>Reduced visibility.<br>Aggravation of the effects of gaseous pollutants.<br>Increased cough and chest discomfort.<br>Reduced lung function.<br>Aggravation of respiratory and cardio-respiratory diseases. |

Source: SCAQMD, 1999

**Lead**

Lead (Pb) in the atmosphere occurs as particulate matter. The combustion of leaded gasoline was the primary source of lead emissions. Other sources of lead include the manufacturing of batteries, paint, ink, ceramics, and ammunition and secondary lead smelters. With the phase-out of leaded gasoline, secondary lead smelters and battery recycling and manufacturing facilities are becoming lead emission sources of greater concern.

Prolonged exposure to lead poses a serious threat to human health. Health effects associated with exposure to lead include gastrointestinal disturbances, anemia, kidney disease, and in severe cases, neuromuscular dysfunction. Of particular concern are low-level lead exposures during infancy and childhood. Such exposures are associated with decrements in neurobehavioral performance (including IQ performance, psychomotor performance and reaction time) and growth. Lead is classified as a probable human carcinogen with an EPA weight-of-evidence classification of B2.

**Sulfur Dioxide**

Sulfur dioxide ($SO_2$) is a colorless gas with a pungent, irritating odor. Sulfur dioxide is created by the combustion of sulfur containing fuels. This substance is known to oxidize to sulfur trioxide, which combines with moisture in the atmosphere to form a sulfuric acid mist. Sulfur dioxide damages and irritates lung tissue and accelerates corrosion of materials.

**Carbon Monoxide**

The automobile and other types of motor vehicles are the primary source of carbon monoxide (CO). This gas is colorless and odorless which adds to its danger. In high concentrations, carbon monoxide can cause physiological and pathological changes, and ultimately death, by incapacitating the red blood cells and interfering with their ability to carry oxygen to body tissues.

**Nitrogen Dioxide**

Nitrogen dioxide ($NO_2$) is a by-product of fuel combustion. The principal form of nitrogen oxide produced by combustion is nitric oxide (NO), but nitric oxide reacts quickly to form nitrogen dioxide, creating the mixture of nitric oxide and nitrogen dioxide commonly called $NO_x$. Nitrogen dioxide acts as an acute irritant and, in equal concentrations, is more injurious than nitric oxide. At atmospheric concentrations, however, nitrogen dioxide is only potentially irritating. There is some indication of a relationship between nitrogen dioxide and chronic pulmonary fibrosis. Some increase in bronchitis in children (two to three years old) has been observed at concentrations below 0.3 ppm. Nitrogen dioxide absorbs blue light; the result is a brownish-red cast to the atmosphere and reduced visibility. Nitrogen dioxide also contributes to the formation of suspended particulate matter.

**Ozone**

Ozone ($O_3$) is one of a number of substances called photochemical oxidants that are formed when reactive organic compounds and nitrogen oxides, both byproducts of the internal combustion engine, react in the presence of ultraviolet sunlight. Ozone may pose its worst health threat to those who already suffer from respiratory diseases. However, ozone also hurts healthy people. In the past, those effects were thought to be limited to more difficult breathing during work and exercise. However, research has shown that children residing in areas of high ozone concentrations experience a loss in lung function.

**Fine Particulate Matter ($PM_{10}$)**

Fine particulate matter ($PM_{10}$) consists of extremely small suspended particles or droplets 10 microns or smaller in diameter that can lodge in the lungs contributing to respiratory problems. $PM_{10}$ arises from such sources as road dust, diesel soot, combustion products, abrasion of tires and brakes, construction operations, and windstorms. It is also formed in the atmosphere from nitrogen dioxide and sulfur dioxide reactions with ammonia. $PM_{10}$ scatters light and significantly reduces visibility.

Fine particulates pose a serious health hazard, alone or in combination with other pollutants. More than half of the smallest particles inhaled will be deposited in the lungs and can cause permanent lung damage. Fine particulates can also have a damaging effect on health by interfering with the body's mechanism for clearing the respiratory tract or by acting as a carrier of an absorbed toxic substance.

## Ambient Air Quality Standards

The current ambient air quality standards are provided in Table 3-2.

**Table 3-2**
**National and California Ambient Air Quality Standards**

| Air Pollutant | National Standards | California Standards |
|---|---|---|
| Lead (Pb) | 1.5 µg/m$^3$ (calendar quarter) | 1.5 µg/m$^3$ (30-day average) |
| Sulfur Dioxide ($SO_2$) | 0.14 ppm (24-hour) | 0.25 ppm (1-hour)<br>0.04 ppm (24-hour) |
| Carbon Monoxide (CO) | 9.0 ppm (8-hour)<br>35 ppm (1-hour) | 9.0 ppm (8-hour)<br>20 ppm (1-hour) |
| Nitrogen Dioxide ($NO_2$) | 0.053 ppm (annual arithmetic mean) | 0.25 ppm (1-hour) |
| Ozone ($O_3$) | 0.12 ppm (1-hour) | 0.09 ppm (1-hour)<br>0.070 ppm (8-hour)[1] |
| Fine Particulate Matter ($PM_{10}$) | 150 µg/l (24-hour)<br>50 µg/l (annual arithmetic mean) | 50 µg/l (24-hour)<br>12 µg/l (annual arithmetic mean) |
| Sulfate ($SO_4$) | None | 25 µg/l (24-hour) |
| Visual Range | None | 10 miles (8-hour)<br>w/humidity <70 percent |
| Sulfates | 25 µg/l (24-hour) | None |
| Hydrogen Sulfide | 0.03 µg/l (1-hour) | None |
| Vinyl Chloride | 0.01 ppm (24-hour) | None |

[1] This concentration was approved by the Air Resources Board on April 28, 2005 and is expected to become effective in early 2006.

Source: California Air Resources Board (5/06/05); www.arb.ca.gov (8/11/05)

## Ambient Air Quality Data

The California Air Resources Board provides ambient air quality data for most air basins in the State. A summary of the data available for the greater project area is provided in Tables 3-3 and 3-4.

**Table 3-3**
**Ozone Trends Summary**

| Year | Days > Standard | | | 1-hr Observations | | 8-hr Averages | | EPDC | Year Coverage |
|---|---|---|---|---|---|---|---|---|---|
| | 1-hr | | 8-hr. | | 3-yr 4th High | | 3-yr Ave 4th High | | |
| | State | National | National | Maximum | | Maximum | | | |
| **Truckee—Fire Station** | | | | | | | | | |
| 2004 | 0 | 0 | 0 | 0.086 | 0.082 | | | 0.083 | 73 |
| 2003 | 0 | 0 | 0 | 0.068 | 0.087 | | | 0.088 | 22 |
| 2002 | 0 | 0 | 0 | 0.085 | 0.084 | 0.071 | | 0.085 | 81 |
| 2001 | 0 | 0 | 0 | 0.091 | 0.087 | 0.077 | | 0.085 | 99 |
| 2000 | 0 | 0 | 0 | 0.081 | 0.077 | 0.068 | | 0.077 | 75 |
| 1999 | 0 | 0 | 0 | 0.079 | 0.077 | | | 0.080 | 78 |
| 1998 | 0 | 0 | 0 | 0.077 | 0.080 | 0.066 | | 0.084 | 84 |
| 1997 | 0 | 0 | 0 | 0.080 | 0.081 | 0.075 | | 0.087 | 94 |
| 1996 | 0 | 0 | 0 | 0.093 | 0.081 | 0.068 | | 0.084 | 90 |
| 1995 | 0 | 0 | 0 | 0.087 | 0.080 | | | 0.081 | 73 |
| **Mammoth Lakes—Gateway HC** | | | | | | | | | |
| 2004 | | | | | | | | | |
| 2003 | | | | | | | | | |
| 2002 | 0 | 0 | 0 | 0.071 | 0.097 | | | 0.105 | 11 |
| 2001 | 4 | 0 | 2 | 0.100 | 0.097 | | | 0.104 | 61 |
| 2000 | | | | | | | | | |
| 1999 | | | | | | | | | |
| 1998 | 0 | 0 | 0 | 0.079 | 0.090 | | | 0.095 | 24 |
| 1997 | 0 | 0 | 0 | 0.092 | 0.091 | | | 0.096 | 63 |
| 1996 | 0 | 0 | 1 | 0.090 | 0.100 | 0.090 | 0.079 | 0.099 | 82 |
| 1995 | 2 | 0 | 2 | 0.110 | 0.100 | 0.101 | 0.079 | 0.097 | 86 |

Notes: All concentrations expressed in parts per million.
The Expected Peak Day Concentration (EPDC) is calculated based on data for 3 successive years, listed by the last year of the 3 year period. EPDC represents the ozone concentration expected to occur once per year.
Blanks mean that there was insufficient data available to determine the value.

Source: ARB, 2005 (www.arb.ca.gov, 10-29-05)

**Table 3-4**
**$PM_{10}$ Trends Summary**

| Year | Est. Days > Std. | | Annual Averages | | 3-yr Average | | High 24-hr Average | EPDC | Year Coverage |
|---|---|---|---|---|---|---|---|---|---|
| | National | State | National | State | National | State | National | | |
| **Truckee-Fire Station** | | | | | | | | | |
| 2004 | | | | | | | | | |
| 2003 | | | | | | | | | |
| 2002 | | | | | | | | | |
| 2001 | | | | | | | | | |
| 2000 | | | | | | | 50.0 | | 12 |
| 1999 | | | | | | | 44.0 | | 36 |
| 1998 | | | | | | | 71.0 | | 48 |
| 1997 | | | | | | | 136.0 | | 91 |
| 1996 | | | | | | | 49.0 | | 33 |
| 1995 | | | | | | | | | |
| **Mammoth Lakes-Gateway IC** | | | | | | | | | |
| 2004 | 0.0 | 10.5 | 24.1 | 19.6 | | 20 | 86.0 | | 88 |
| 2003 | | | | | | | 74.0 | | 54 |
| 2002 | | | | | | | 129.0 | | 40 |
| 2001 | | | | | | | 134.0 | | 80 |
| 2000 | | | | | | | 70.0 | | 38 |
| 1999 | | | | | | | | | |
| 1998 | | | | | | | 106.0 | | 48 |
| 1997 | 0.0 | 36.4 | 26.5 | 26.4 | | 26 | 112.0 | | 97 |
| 1996 | | | | | | | 74.0 | | 77 |
| 1995 | 0.0 | 37.0 | 26.0 | 26.0 | 30 | 34 | 122.0 | | 97 |

Notes: All concentrations expressed in micrograms per cubic meter.
The Expected Peak Day Concentration (EPDC) is calculated based on data for 3 successive years, listed by the last year of the 3 year period. EPDC represents the ozone concentration expected to occur once per year.
Blanks mean that was insufficient data available to determine value.

Source: ARB, 2005 (www.arb.ca.gov, 10/29/05)

The California Air Resources Board and the U.S. Environmental Protection Agency have made the designations shown in Table 3-5 for the target area.

**Table 3-5**
**State and National Air Quality Designations for Target Area**

| Pollutant | Alpine County | | Tuolumne County | |
|---|---|---|---|---|
| | EPA | ARB | EPA | ARB |
| Ozone-1hr. | Unclassified | Unclassified | Unclassified | Non-attainment |
| Ozone-8hr. | Unclassified | | Non-attainment | |
| $PM_{10}$ | Unclassified/attainment | Non-attainment | Unclassified/attainment | Non-attainment |
| $PM_{2.5}$ | | Unclassified | | Unclassified |
| Carbon Monoxide | Unclassified/attainment | Unclassified | Unclassified/attainment | Attainment |
| Nitrogen Dioxide | Unclassified/attainment | Attainment | Unclassified/attainment | Attainment |
| Sulfur Dioxide | Unclassified | Attainment | Unclassified | Attainment |
| Sulfates | | Attainment | | Attainment |
| Lead | | Attainment | | Attainment |
| Hydrogen Sulfide | | Unclassified | | Unclassified |
| Visibility Reducing Particles | | Unclassified | | Unclassified |

Source: ARB, 2005 (www.arb.ca.gov, 10/29/05)

# Biological Resources

## Terrestrial Habitats

The target area ranges from approximately 6,000 to over 9,000 feet above mean sea level (MSL). Consequently, it contains a diverse assemblage of vegetation communities which support a wide variety of wildlife habitats. Wildlife habitat usage and classification is primarily based on vegetation and can be further subdivided on several stages and canopy density.

Two major vegetation zones occur in the target area: upper montane and subalpine. Within these two major zones, further subdivisions of plant communities which overlap include: white fir, red fir, lodgepole pine, subalpine conifer, ponderosa pine, montane chaparral, montane meadow and montane riparian.

### Upper Montane Vegetation Zone

This zone occurs from 6,000 to 8,000 feet above MSL (1,830 to 2,440 meters) and includes three somewhat overlapping plan communities: Jeffrey pine *(Pinus jeffreyi)*, red fir *(Abies magnifica)*, and lodgepole pine *(Pinus contorta)* forests. Jeffrey pine forests have a somewhat open overstory and commonly have an extrensive mosaic of shrubby and herbaceous understory plants similar to ponderosa pine forests. Common plants in the understory include manzanita, ceonothus species and mountain misery. Red fir forests occur as a closed canopy and for a virtual monoculture largely devoid of herbaceous or shrubby understory.

Lodgepole pine forests generally occur within or at higher elevations than red fir forests. However, they also occur at lower elevations in the transition zone between red and white fir forests, particularly on disturbed sites. Lodgepole pine forests commonly succeed herbaceous communities in montane meadows as the meadows fill in with sediment and dry out. At higher elevations, mature lodgepole pine stands are generally open with little or sparse understory and little accumulation of forest floor litter. In transitional and disturbed areas, they are characterized by a dense thicket of smaller trees.

### Subalpine Vegetation Zone

The subalpine vegetation zone occurs from 8.000 to 10,000 feet above MSL (2,440 to 3,050 meters) and is composed of three characteristic species: western white pine *(Pinus monticola)*, mountain hemlock *(Tsuga mertensiana)* and juniper *(Juniperius occidentalis)*. Other species such as red fir, lodgepole pine, and whitebark pine *(Pinus albicaulis)*, which tends to be the dominant woody species at tree line, are also present in this zone. Shrubby vegetation and litter accumulation is sparse at these elevations. Few herbaceous plants are present except for flowering annuals and lupines *(Lupinus* sp.*)* which occur in occasional small meadows.

### Montane Riparian and Meadow Vegetation

Within each of the above zones, intermittent creeks, streams, lakes and ponds support or are bordered by riparian vegetation more adapted to mesic conditions. Riparian habitat is recognized as one of the most important components for wildlife with the forest. Riparian refers to the transition between aquatic and terrestrial ecosystems that supports distinctive vegetation requiring free or unbound water (not attached to soil particles).

All perennial streams, most intermittent streams and most lakes and reservoirs support some type of riparian vegetation. Along perennial streams the dominant overstory vegetation is comprised of sycamore *(Plantanus racemosa)*, dogwood *(Cornus* sp.*)*, big leaf maple *(Acer macrophyllum)* at lower elevations, and alder *(Alnus* sp.*)* and aspen *(Populus tremuloides)* at

higher elevations. Thickets of willows and openings of grasses, sedges and rushes comprise the understory vegetation along perennial streams in both vegetative zones. Intermittent streams and high altitude lakes support primarily herbaceous species with occasional clumps of woody species, such as willow or aspen. A few of the high altitude lakes have shallow shorelines which support marsh vegetation providing good cover for shorebirds and waterfowl which are occasional visitors.

Meadows are open grassy areas which occur within both vegetation zones. However, most meadows are at elevations ranging between 7,500 and 9,000 feet and are associated with the lodgepole pine or red fir forests. Meadows are created and maintained by several factors: topography, drainage, seasonally wet soils, fire and land use. Should environmental conditions become drier, brush and trees, particularly lodgepole pine, would invade and succeed the herbaceous wet meadow vegetation. This limited habitat type provides important foraging habitat for numerous waterfowl and wildlife species and is usually bordered by dense willow thickets or forests which provide nesting and cover habitat. This edge effect supports higher wildlife diversity.

## Common Terrestrial Wildlife

In general, there are fewer resident wildlife species at high elevations in the upper montane and subalpine vegetation zones, and many of these residents [e.g., yellow-bellied marmot *(Marniota falviventris)*, belding ground squirrel *(Spennophilus beldingi)*, alpine chipmunk *(Tamias alpinus)*, and pika *(Ochotona princeps)*] either hibernate or become inactive during the winter. The winter is less severe at lower elevations. Consequently, lower elevations of the upper montane zone contain more resident species and support more winter migrant species. Common resident species which are active throughout the winter include western gray squirrel *(Sciurus griseus)*, northern flying squirrel *(Glaucomys sabrinus)*, porcupine *(Erethizon dorsatum)*, coyote *(Canis latrans)*, gray fox *(Urocyon cinereoargentus)*, bobcat *(Felis rufus)* and trowbridge shrew *(Sorex trowbridgii)*. Golden mantled ground squirrel *(Spennophilus lateralis)*, chipmunk *(Tamais* sp.*)*, black bear *(Ursus americanus)*, raccoon *(Procyon lotor)* and badger *(Taxidea laxus)* are all common species which are inactive during the winter.

Montane riparian and meadow vegetation provides the most important habitat for wildlife. A wide assortment of wildlife utilizes these habitats including birds, mammals, insects, reptiles and amphibians (aquatic and semi-aquatic species discussed below under aquatic resources). The majority of riparian-associated species are birds with 77 species above 6,000 feet. Most birds migrate south or move downslope for the winter. During winter most birds that reside in the Sierra Nevada live below 5,000 feet. Those that remain include Clarks nuthatches *(Sitta canadensis)*, golden-crowned kinglets *(Regulus satrapa)*, rosy finches *(Leucosticte arcota)* and several species of woodpeckers *(Picoides* sp.*)*.

Upper montane meadows are a summer concentration area for deer and provide important foraging habitat. Winter range for mule deer is generally outside the target area below 4,500 feet. California and Columbian black-tailed deer, two subspecies of mule deer, inhabit the forest and are considered important big game species. Black bears are also commonly found in these areas. Rodents and songbirds also utilize meadow habitat. Many of the rare plants located on the forest are found in these meadows or on their dry margins (special-status species are discussed below). Higher altitude forest clearings and interfaces with meadows provide habitat for blue grouse *(Dendragapus obscurus)*, mountain quail *(Oreortyx pictus)*, gray fox, pine marten *(Martes Americana)*, yellow-bellied marmot, pacific fisher *(Martes pennanti pacifica)*, mountain beaver *(Aplodonitia rufa)* and the rare wolverine *(Gulo gulo)*.

## Aquatic Resources

The target watershed includes the following aquatic resources: Highland Creek and the North Fork Stanislaus River, reservoirs and alpine lakes and streams and the aquatic and semi-aquatic organisms supported by the waterways.

A wide variety of aquatic organisms are present in the streams, lakes and reservoirs within the target area watershed. Periphyton, phytoplankton and zooplankton inhabit the lakes while aquatic insects and the early life stages of several terrestrial insects are found in both lakes and stream habitats. These include mayflies, stoneflies, caddisflies, midges, dragonflies, damselflies, water striders, and beetles. Benthic organisms include bacteria, protoza, nematodes, worms and insect larvae. Attached plants and benthic organisms (bottom-dwelling animals) regulate or modify most chemical, physical, geological and biological processes within the aquatic environment, referred to as the benthic effect.

The target watershed is located in the rainbow trout zone, the highest elevation zone of these aquatic life zones classified in this region. The dominant species is rainbow trout *(Oncorthynchus mykiss)*. Other common non-game species include speckled dace *(Rhinichthys osculus)* and riffle sculpin *(Cottus gulosus)*. Other aquatic or semi-aquatic animals include mountain yellow-legged frog *(Rana muscosa)*, Sierra mountain beaver *(Aplodontia rufa californica)*, river otter *(Lutra Canadensis)* and other frogs, toads and garter snakes.

The North Fork Stanislaus River and Highland Creek contain mostly rainbow trout, some brown trout *((Salmo trutta)* and an occasional eastern brook trout *(Salvelinus fontinalis)*.

Most of the reservoirs in the target area were constructed by placing impoundments at the outlets of natural basins. The major reservoirs include Spicer Meadow Reservoir, Lake Alpine, and Utica and Union Reservoirs. These reservoirs normally freeze during the winter. They are stocked with rainbow, brown and eastern brook trout to supplement naturally-sustaining rainbow and brown trout populations.

The small alpine lakes within the target area were formed by glaciation and are generally oligotrophic (low in nutrients and biological productivity). These lakes and highland streams generally support a low biomass of aquatic organisms due to the sort growing season and limited nutrient base. Fish were naturally absent from most of these high elevation habitats prior to introduction because barriers prevented colonization or habitat was not suitable for maintaining fish populations. Rainbow and eastern brook trout are planted in many of these lakes and streams yearly. Due to their shallow depth, these lakes and streams often freeze or are covered with snowpack for long duration. Fish populations are not naturally self sustaining in these lakes and streams because dissolved oxygen concentrations are depleted over the winter below levels required for survival by higher levels of aquatic life.

## Special-Status Species

Special-status species are those organisms that are listed or proposed as threatened or endangered under the Federal or State Endangered Species Acts. Special-status species also include organisms determined by the California Department of Fish and Game (DFG) or other conservation groups, such as the Native Plant Society, to be rare or have a limited distribution. Two federally-listed endangered animal species, bald eagle and peregrine falcon, permanently or seasonally reside in the target watershed.

Mountain yellow-legged frogs are a California Species of Concern and Federal Candidate Species for listing which occur in riparian habitats typically above 6,000 feet in the target watershed. They prefer streams with riffle pool regimes, good cover and cobble or rocky

substrates. In addition to these types of special-status species, six animal and eleven plant species have been designated as "sensitive" by the US Forest Service (USFS) Pacific Southwest Region. These sensitive species are either rare or limited in their range and require special management to prevent their Federal or State listing as threatened or endangered. The special-status and sensitive animal and plant species potentially present in the target watershed are listed in tables in Appendix B.

In general, the DFG and US Fish and Wildlife Service (USFWS) are responsible for the protection of threatened and endangered organisms at the species and subspecies level, while the USFS manages forest and other types of habitat at the community and ecosystem level. The USFS protects threatened and endangered species through designation of "sensitive species" and identification of "critical habitats" that are essential elements for the survival of sensitive species and the overall health and diversity of the forest. Management policies for the protection of critical habitats are specified in the Land Area Resource Management Plan. In addition, habitats that are representative of the general forest environment and characteristic species, referred to as Management Indicator Species (MIS), are selected to monitor the health of the forest environment (see Appendix B). The MIS's for each representative habitat are inventoried; management objectives and measures are identified; and if necessary, management measures are implemented. The MIS's are monitored to evaluate habitat conditions and the effectiveness of management measures.

## Cultural Resources

The principal peoples dominating the greater target area prior to the Spanish and American historical eras (1806-1848 and post 1848) were the Miwok and Washoe Indians. The Miwok Indians were distributed from the Central Valley to the mountains and the Washoe Indians used the higher elevations from their population centers east of the Sierra. Both the Miwok and Washoe were hunters, but their primary staple food was acorn meal which they ground in mortars or milling holes, often formed in bedrock outcrops. These motor holes area a common feature of archeological sites found throughout the area, but a bedrock mortar site does not necessarily indicate a permanent settlement, because groups would make special journeys in the fall to gather and grind acorns. Other cultural characteristics included burial of the dead, sometimes in caves, creation of rock art, construction of rock shelters, construction of dance houses, quarrying of chert, chalcedony, etc., and working it into tools and weapons; and in general, settlement in one spot from generation to generation, leading to the accumulation of extensive debris middens.

## Geology and Soils

### Geology

The target area is underlain by four major rock types. Grantics form the most abundant rock type followed by metamorphosed sedimentary rocks, volcanic rocks and glacial deposits. The western edge of the target area is underlain by metamorphosed rocks of the Calaveras formation, one of the oldest geologic formations in the region. The crest of the Sierra Nevada, with elevations exceeding 10,000 feet (Disaster Peak, 10,047 feet), is made up of granitic rocks which were intruded into much older metamorphosed rocks. Volcanics that were extruded through fractures in the granitic rocks form volcanic caps on the granitics. Sedimentary deposits left by glacial activity which took place between 500,000 and 11,000 years ago are the most recent geologic deposits. *(Parsons Engineering Science, Inc., October 1995).*

At elevations of 6,000 feet and above, the North Fork Stanislaus River watershed is composed primarily of glaciated Mesozoic granitic rocks capped by areas of Pilocene and some Miocene volcanic formations. Much of this higher elevation geology is characterized by exfoliated granitic

domes with little or no soil development. These areas generally support scattered clumps of trees but are largely absent of herbaceous vegetation except that which occurs in dispersed meadows and small strips along the shorelines of small alpine lakes. These high alpine lakes and meadows were formed by recent glacial activity. Glacial scouring and plucking formed small depressions that impound water form many of the alpine lakes. Glacial till deposited as moraines and alluvium deposited by glacial outwash provided natural impoundments, moisture, and fine textured soils that has lead to the formation of high alpine meadows. *(Parsons Engineering Science, Inc., October 1995).*

At lower elevations, below 6,000 feet, the target watershed consists of steeply-sloped and deeply incised stream-cut canyons. The Highland Creek and North Fork Stanislaus River Canyons cut down through as much as 4,000 feet of granitics (granodiorite). At these elevations, some alluvial deposits are present within and immediately along the North Fork Stanislaus River and other smaller streams, but the amount is limited due to the steep gradient. Colluvium has been deposited at the bottom of the stream-cut canyons from mass wasting of the surrounding steep canyon slopes.

A variety of geologic-related hazards are present within the project target area. These potential hazards include seismic activity, volcanism and mass movements. Generally, the probability of occurrence of a major catastrophic event, such as an earthquake or volcanic eruption is extremely low. The risk from such an event is correspondingly low but still exists. Greater risks are presented by rockfalls and landslides which is varying degrees or severity are a frequent occurrence in the target area.

Potential volcanic hazards within the target area are minimal. No volcanic activity has occurred in this part of the Sierra Nevada in over 2 million years. The closest volcanically active region is the Mono Basin—Long Valley, located 55 miles to the southeast. The most recent volcanic eruption in the Mono Basn-Long Valley is thought to have occurred some 250 to 450 years ago, and recent increases in earthquake activity since 1978 indicate no near-surface movements of magma. *(Parsons Engineering Science, Inc., October 1995).*

Earthquakes are often felt in this portion of the Sierra Nevada but the epicenters are usually quite distance. Existing traces of seismic activity are numerous but no evidence of excessive activities within the last two million years. Due to this long period of quiescence, these fault traces are thought to be inactive, and therefore, the risk of resource damage from seismic damage within this portion of the Sierra Nevada is considered to be low. Actual damage from earthquakes has been extremely minor, and limited to liquefaction of local soil deposits, snow avalanches and reactivation of dormant sites. *(Parsons Engineering Science, Inc., October 1995).*

The primary factors which control the occurrence of mass movements are slope steepness and water saturation. Other factors include vegetative cover, individual storm intensity and soil characteristics such as texture, depth and permeability. Mass movements can be large-scale events in which large amounts of earth material move downslope quickly. However, most often they are small events because the Central Sierra Nevada geology is very stable and only very localized areas are subject to mass movements. Generally, geologic deposits of weathered materials or soils consist of shallow, well drained, coarse-textured granitics.

Geologic resources in the target area include minerals, unique geologic formations and groundwater. A variety of common minerals are present in the target area, but currently little potential exists for economically-feasible extraction of leasable minerals within the target watershed. Known mineral commodities within the target watershed include gold, silver, lead, tungsten and uranium. Special note should be made that silver is a somewhat commonly-occurring mineral throughout the target watershed. *(Parsons Engineering Science, Inc., October 1995).*

In addition to geologic mineral resources that have potential commercial value, unique geologic formations that have significant recreational and scenic value also occur in the greater project area. These unique geologic features include Bull Run, Windeler Cave, Columns of the Giants and Niagara Creek Falls.

## Soils

Soil types largely determine the types and amounts of vegetation that will grow in a given area. Soils in the target watershed are varied and complex. Soil characteristics differ greatly because soil formation is controlled by a variety of factors including climate, topography, vegetation and time. Soils are characterized by parent materials, depth, texture, color, organic content, pH and other factors. At elevations ranging from 3,500 to 6,500 feet, soils and productivity on the south-facing slopes are quite variable depending on slope gradient and parent material. However, soils at these elevations are generally deep, medium to coarse textured, and no-stony with very high timber productivity. In areas above 6,500 feet, large expanses of bared glaciated rock occur nd soils are mostly coarse-textured and shallow. A few areas above 10,000 feet, which are outside the target watershed, have perennial snow.

Control of soil erosion is a key management concern for maintaining health and productivity of forest resources. Raindrop impact and surface runoff are the major processes by which soil and debris are dislodged and carried downslope, thereby creating soil erosion. Soil particulates are dislodged by the impact of raindrops and are carried overland via sheet flow dislodging more soil particles as they go. Raindrop impact is essential to the erosion processes because it initiates the movement of soil particles. Eventually the sheet flow collects into channels and forms rills or gullies. The water and suspended particles are deposited at a low energy location elsewhere in he watershed or discharged into existing stream channels.

If discharged to a stream or other waterbody, the eroded soil particles become suspended in the bed load and increase streambank scour and erosion. Streambank erosion is largely a function of stream flow velocities and bed load. Overland, rill, gully and streambank erosion all contribute to increases in turbidity and downstream sedimentation and can adversely affect downstream aquatic habitat quality.

The highest erosion hazard occurs in the 3,500 to 5,000-foot elevation zone where soils are deep and fine textured and management activities, such as timber harvesting and road building which disrupt the soil, occur. Coarse-textured granitic soils found at higher elevations, although thin, are not a high erosion hazard. Montane meadows with unconsolidated alluvial soils and fine textured glacial deposits are subject to high rates of erosion. *(Parsons Engineering Science, Inc., October 1995).*

Soil Quantity Standards and Long-Term Soil Productivity Guidelines have been developed and are specified by the Stanislaus National Forest in its Land and Resource Management Plan. Soil Quantity Standards apply to areas where management prescriptions are applied, such as forest range production areas and managed chaparral lands. These standards provide threshold values beyond which further alteration of soil properties would significantly change or impair the productive capacity of the soil. Significant change in the productivity of the land is indicated by changes in soil properties that are expected to result in a 15 percent or more reduction in productive capacity over the planning horizon. Changes in the quantity and quality of soil cover, soil porosity and organic matter have been lined to changes in long-term soil productivity potential. These soil properties can be measured in the field. *(Parsons Engineering Science, Inc., October 1995).*

## Hazards and Hazardous Materials

Other than the geologic hazards identified above, there are no known hazards in the target area. In addition, there are no known hazards associated with the Stanislaus Weather Modification Program. However, chemicals such as silver iodide would be used in the cloud seeding program.

## Hydrology and Water Quality

### Surface Water

The two major streams to be affected by the Stanislaus Weather Modification Program would be Highland Creek and the North Fork Stanislaus River.

Highland Creek originates at Highland Lakes near the crest of the Sierra Nevada and flows in a southwesterly direction to its confluence with the North Fork Stanislaus River at Sand Flat. Historical stream flows on Highland Creek below Spicer Meadow Reservoir (drainage area 45.4 square miles) for the period of 1953 through 1986 (prior to operation of the existing reservoir) averaged 129 cfs (~93,400 acre-feet per year).

The North Fork Stanislaus River also originates near the crest of the Sierra Nevada at Mosquito Lake and flows in a southwesterly direction to its confluence with the Middle Fork Stanislaus River just upstream of New Melones Reservoir. Historical stream flows on the North Fork Stanislaus River below Silver Creek (drainage area 27.8 square miles) for the period 1953 through 1986 (prior to the operation of the North Fork Diversion Dam) averaged 84 cfs (~60,600 acre-feet per year).

Historical stream flows on the North Fork Stanislaus River further downstream at McKays Point Diversion Dam site (drainage area of 163 square miles) have varied from a low of 94,110 acre-feet annually (~130 cfs) to a high of 554,160 acre-feet annually (~765 cfs). The annual average runoff at this point is approximately 300,000 acre-feet (~410 cfs). Flows on the North Fork Stanislaus River are highly dependent upon operation of hydroelectric facilities by the Northern California Power Agency [North Fork Stanislaus Hydroelectric Development Project (FERC Project No. 2409) and the Upper Utica Project (FERC Project No. 11563)].

The North Fork Project includes Spicer Meadow Dam, Reservoir and Powerplant on Highland Creek; North Fork Diversion Dam and Reservoir on the North Fork Stanislaus River; North Fork Diversion Tunnel which conveys water from the North Fork Stanislaus River to Spicer Meadow Reservoir; McKays Point Diversion Dam and Reservoir on the North Fork Stanislaus River; Beaver Creek Diversion Dam and Reservoir on Beaver Creek; Beaver Creek Tunnel which conveys water from Beaver Creek to the McKays Point Reservoir; Collierville Tunnel which coveys water from McKays Point Diversion Dam to the Collierville Powerplant and the Utica Power Authority's Utica Hydroelectric Project (FERC Project No. 2019); and the Collierville Powerplant on the Stanislaus River at the upper end of New Melones Reservoir.

The Upper Utica Project includes Lake Alpine on Silver Creek and Union and Utica Reservoirs on the North Fork Stanislaus River.

As stated in the California Regional Water Quality Control Board, Central Valley Region's *Water Quality Control Plan, San Joaquin River Basin (Basin 5C)*, beneficial uses of waters upstream of New Melones Reservoir include:

| | |
|---|---|
| MUN | Municipal and domestic supply |
| AGR | Irrigation and stock watering |
| POW | Power generation |

| | |
|---|---|
| REC1 | Water-contact recreation including canoeing and rafting |
| REC2 | Non-contact recreation |
| WARM | Warm freshwater habitat |
| COLD | Cold freshwater habitat |
| WILD | Wildlife habitat |

Water quality samples collected during studies of Lake Alpine and Utica and Union Reservoirs by NCPA indicated that the North Fork Stanislaus River's source waters are of excellent mineral quality and well within all applicable State and federal standards. Biological, physical and chemical data from these three reservoirs (including dissolved oxygen, nutrients, chlorophyll-a, and fecal coliform) indicated that the reservoirs are oligotrophic (nutrient poor) and contain negligible levels of parameters that may degrade water quality.

Water quality information reported by the Pacific Gas and Electric Company (PG&E) also characterizes surface water within the North Fork Stanislaus River system as excellent in mineral quality, reflecting the high quality source water which is predominantly runoff from snowmelt. Water within the study area was reported to contain low concentrations of inorganic and dissolved solids. Water quality was determined to meet with all beneficial uses including domestic and municipal supply as well as power production, agriculture, recreation, aquatic habitat and wildlife uses. Temperature and dissolved oxygen concentrations were reported to be seasonal. The parameters were inversely proportional with dissolved oxygen decreasing as temperature increased during the summer months. Dissolved oxygen concentrations were reported to be at or near saturation during most of the year. Temperatures were reported to range between freezing in the winter months to 20°C during the summer months. *(PG&E, 1991).*

### Groundwater

Available groundwater in the target watershed is present in three types of aquifers: lava cap on massive granitic basement rock; glacial till on granitic basement rock; and fractures in granitic and metamorphic bedrock. *(Parsons Engineering Science, Inc., October 1995).*

Groundwater utilization in the greater project area is low in terms of developed diversion facilities, but high in terms of instream uses and other uses when the groundwater emerges as surface flow. No commercial groundwater extraction occurs in the greater project area (i.e., Stanislaus National Forest) and developed uses are limited. The most apparent, and arguably the most important, use of groundwater generated on the forest is off-forest, sustained surface flows in streams and rivers. Groundwater provides or augments surface flows which support aquatic and riparian habitat and provide recreational opportunities. At locations where groundwater emerges or saturates soils, it supports spring, seep and meadow habitat.

Approximately 40 domestic water wells are located on the entire Stanislaus National Forest which contains the primary groundwater aquifers that could be directly affected by the cloud seeding activities. These wells provide water for USFS recreation and administration sites and a few local residences. Much of the groundwater on the forest emerges downgradient as surface flow in streams or rivers. *(Parsons Engineering Science, Inc., October 1995).*

## Land Use and Planning

### Existing Land Use

The Spicer Meadow Reservoir watershed is within the Stanislaus National Forest which is managed by the USFS. These lands are managed for multiple uses such as recreation, mining, timber production, scenic values, wildlife habitat and grazing.

A significant portion of the Spicer Meadow Reservoir watershed is within the Carson-Iceberg Wilderness. The Carson-Iceberg Wilderness was created by the Wilderness Act of 1964. According to the Wilderness Act, wilderness areas are:

> *Where earth and its community of life remains untrammeled, where man himself is a visitor who does not remain.*

Wildnerness is closed to all mechanized use and has no new developments or improvements other than trails. Livestock grazing and mining, where they occurred prior to Wilderness designation, are permitted uses.

Reservoirs and large bodies of water within the target area include Spicer Meadow Reservoir, Alpine Lake, Utica and Union Reservoirs, and Highland Lakes. Additional smaller lakes (e.g., Duck Lake, Bull Run Lake, Rock Lake and Elephant Rock Lake) are scattered throughout the target area. Spicer Meadow Reservoir is operated by NCPA for hydroelectric power generation and downstream water supplies. NCPA also operates Lake Alpine and Utica and Union Reservoirs for downstream hydroelectric power generation and water supplies. Recreational facilities provided at Spicer Meadow Reservoir and Lake Alpine include individual and group campgrounds, picnic tables, and boat launching facilities. Additional, more primitive facilities are at Utica and Union Reservoirs.

Highland Creek and the North Fork Stanislaus River are the main waterways within the target area. Neither of these waterways are designated as a Wild and Scenic River under the Wild and Scenic Rivers Act.

While the majority of the target area is within the Carson-Iceberg Wilderness Area, a few scattered residences (primitive summer cabins and cattle camps) are also located within the target area in Alpine County. A summer resort is also located at Lake Alpine. The closest community to the target area is Bear Valley which has a year-round population of about 133 persons. However, this and other communities just outside the target area can experience wide fluctuations in population due to recreational activities such as skiing in winter months and camping in summer months.

During the winter months, skiing is available at Mt. Reba and Cottage Springs. Access to both ski resorts is via Highway 4, the Ebbetts Pass Highway.

Access to the Lake Alpine Resort and summer cabins is dependent upon snow conditions in the early spring months. If snowfall is heavy, access may be restricted until late in the season. This same access condition may occur for tourists and residents wanting to access the eastern portion of Alpine County from Highway 4. Highway 4 is closed just east of the turnoff to Mt. Reba during the winter months and opened by Caltrans when the roads are clear of snow.

## Relevant Plans and Policies

A Land and Resources Management Plan has been developed for the Stanislaus National Forest by the USFS. This plan provides direction for managing the national forest lands for a 10 to 15 year period. All permits, contracts and other instruments for use and occupancy of National Forest lands must be in conformance with this plan.

Although the Land and Resources Management Plan does not specifically include policies with respect to cloud seeding operations, a number of policies could be indirectly related. These include policies relating to management of wilderness, protection of water quality, and protection of basic resources.

### General Plan and Zoning Designations

The majority of the target area is within Alpine County. The General Plan designations for this area are Open Space or Wilderness and the corresponding zoning designations are Agriculture and Wilderness.

The remainder of the target area is within Tuolumne County where the General Plan designation is Timberland and the corresponding zoning designation is Unclassified.

## Mineral Resources

There are no known mineral deposits in the target area.

## Noise

Objectionable sound levels constitute noise. Sound is a function of three factors: sound power, sound pressure, and sound frequency. A source's power creates pressure waves which become audible.

The human ear hears a wide range of frequencies, roughly 20 to 16,000 cycles per second, emphasizing certain sounds depending upon the frequency range. A-scale decibels are the unit of measurement of sound pressure levels in the frequency range most sensitive to the human ear. Therefore, noise is usually measured in decibels on the A-scale, expressed as d(B)A. Table 3-6 lists common noise sources and their corresponding sound levels.

**Table 3-6**
**Typical Sources of Community Noise**

| Source | Sound Level, dB(A) |
|---|---|
| Leaves rustling | 10-15 |
| Quiet residential street | 40-52 |
| 150 to 200 feet from dense traffic | 55-70 |
| Edge of highway with dense traffic | 70-85 |
| Noisy street | 84-94 |
| Jet plane at 1,000 feet | 100-105 |
| 50-hp siren at 100 feet | 130-135 |

The target area is a forested area. Although no noise studies have been completed in the target area, it is anticipated that the noise levels would range from 20 to 40 d(B)A.

## Population and Housing

There are no communities that would be directly affected by implementation of the Stanislaus Weather Modification Program. However, there are a few scattered residences (primarily summer cabins and cattle camps) with the target area in Alpine County. A summer resort is also located at Lake Alpine. The closest community to the target area is Bear Valley which has a year-round population of about 133 persons.

## Public Services

Fire protection services within the target area are provided by the Stanislaus National Forest. Law enforcement with the target area is provided by the Alpine and Tuolumne County Sheriff's Departments as well as the Stanislaus National Forest and the California Highway Patrol.

## Recreation

The target area provides many recreational opportunities including skiing, camping, picnicking, boating, fishing, hunting, hiking, etc. There are developed facilities at Lake Alpine and Spicer Meadow Reservoir and more primitive facilities at Utica and Union Reservoirs.

## Transportation/Traffic

The only major road within or near the target area is Highway 4. During winter months, Highway 4 is closed from just east of the turnoff to the Mt. Reba Ski Area across Ebbetts Pass to Markleeville. This highway is reopened when weather conditions permit. As the majority of the target area is within the Carson-Iceberg Wilderness, few paved or dirt roads providing local access occur in the target area.

Roadways within the target area are maintained by the California Department of Transportation (Caltrans), the USFS, Alpine and Tuolumne Counties and private landowners. While the main highway within and near the target area is maintained by Caltrans, counties are responsible for the costs of clearing roads to certain recreational areas such as Bear Valley.

Non-vehicular transportation occurs with the target area via an extensive trail network throughout the Stanislaus National Forest. No railroads or airports are located within the target area.

## Utilities and Service Systems

Because the majority of the target area is within the Carson-Iceberg Wilderness, there are few utilities and service systems providers. Bear Valley and the Lake Alpine resort are served electricity by PG&E and telephone by SBC.

### Impacts

There is no prime farmland, unique farmland or farmland of statewide importance within the target area. Therefore, it is concluded that the project would have no significant effects on agricultural resources.

### Mitigation Measures

No significant impacts have been identified; therefore, no mitigation is required.

### Level of Significance After Mitigation

There would be no significant adverse agricultural resources impacts associated with the Stanislaus Weather Modification Program.

## Air Quality

### Significance Criteria

The State CEQA Guidelines indicate that a project would have a significant effect on air quality if it would violate any air quality standard, contribute to an existing or projected air quality violation or expose sensitive receptors to substantial air pollutant concentrations. Impacts to meteorology would be considered significant if could seeding activities were to affect large-scale atmospheric forces and/or cause or contribute to extreme meteorological conditions which could lead to flooding, avalanches, and/or other precipitation-related hazards in the target area or in other downwind areas.

### Impacts

**Potential Impact No. 1, Operational activities could emit criteria pollutants into the atmosphere.**

The small fixed-wing aircraft utilized in the cloud seeding operation would generate small amounts of criteria pollutants. Exhaust emissions from a small fixed-wing aircraft are not considered significant and would not cause any ambient air quality violations.

**Potential Impact No. 2, Inhalation of silver and iodide compounds could cause human health effects.**

Thresholds for silver and iodide compounds have been set by the ACGIH and are considered to be the acceptable levels for occupational safety. The acceptable level for silver has been established at 10µg/m$^3$ over an 8-hour period. The acceptable level for iodine is 1,000 µg/m$^3$ for a 15-minute period. Similar cloud seeding activities have resulted in silver iodide concentrations in the seeded atmosphere in the range of $10^{-5}$ to $10^{-8}$ µg/m$^3$. *(Parsons Engineering Science, October 1995).* Assuming a $10^{-5}$ µg/m$^3$ worst-case concentration, the concentration of both silver and iodide would be well below the ACGIH standards. On the basis of the above information, it is concluded that inhalation of silver and iodide compounds would not cause significant health effects.

**Potential Impact No. 3, The Stanislaus Weather Modification Program could increase precipitation within the target area.**

The goal of the program is to increase precipitation and runoff in the Lake Alpine, Utica, Union, and Spicer Meadow Reservoirs watershed, so any increases in precipitation due to cloud seeding would be considered beneficial by the project sponsor. Implementation of the proposed program is expected to increase snowpack by 6 to 10 percent. For the purpose of this analysis, a 15 percent in snowpack is assumed in order to examine impacts in a conservative manner. Changes in precipitation would not be homogeneous within the target area due to the variability of meteorological and topographical conditions and the physics of cloud seeding effects. Each cloud seeding event success is dependent upon several physical variables, such as temperature, wind speed and direction, nature of the storm system, and cloud composition.

The overall increase in precipitation would depend on the number of types of storms seeded. Cloud seeding has been performed in the project vicinity for over 40 years. It has been concluded that cloud seeding has led to modest increases in the past and that future increases would be on the same level.

The project area may also be affected by other cloud seeding activities being performed in nearby areas. The cumulative effects of nearby cloud seeding programs as well as this proposed program are difficult to quantify because of the numerous variables affecting total precipitation. Conversely, the possibility of overseeding a particular cloud may occur, resulting in a decrease in precipitation.

Specific meteorological criteria for suspending seeding activities have been included in the program design. These criteria ensure that the possibility of the seeding activities contributing to unusually high precipitation events or to a decrease in the amount of precipitation from the passing storm is small.

**Potential Impact No. 4, The Stanislaus Weather Modification Program could affect other meteorological conditions within the target area.**

For the most part, cloud seeding would not affect meteorological conditions other than precipitation. Seeding may slightly increase cloud growth and therefore may increase humidity and decrease temperature. These changes would be temporary, localized and considered to be less than significant.

**Potential Impact No. 5, The Stanislaus Weather Modification Program could cause changes in precipitation downwind of the target area.**

Many studies have been done to examine the effects of cloud seeding on downwind areas *(Parsons Engineering Science, Inc., October 1995)*. It is widely believed that only a small percentage of cloud moisture falls out in the form of precipitation, leaving more than enough moisture for downwind areas. It has also been concluded that under certain circumstances cloud seeding may actually decrease precipitation downwind.

If a cloud becomes overseeded, ice crystals tend to evaporate rather than grow. Below a critical temperature, the natural occurrence of ice particles may already be greater than that required for the most effective release of precipitation. In this case, artificial seeding may actually decrease precipitation downwind of the target area.

However, the majority of the research concludes that in most cases precipitation is actually released slightly downwind due to seeding activities. The timing factor for precipitation production is the amount of available ice nuclei. The artificial ice nuclei induced into a cloud sometimes remain active downwind, but in a lower concentration from when they were first induced, which

could improve the rate of precipitation. However, this increase would be smaller than the increases expected within the target area.

Cloud seeding programs have been known to increase rainfall amounts downwind at distances up to 200 miles *(Parsons Engineering Science, Inc., October 1995)*. Based on this information, it is expected that this cloud seeding program could affect portions of Alpine and Tuolumne Counties as well as some areas in the State of Nevada. All these locations are downwind from the target area. However, any increases or decreases caused by the project's cloud seeding activities are not expected to be significant.

It is anticipated that any increases in precipitation (most likely small) caused by cloud seeding would be beneficial to ski resorts, such as Bear Valley, at the south edge of the target area. It should be noted that cloud seeding has been conducted in the project vicinity for over 40 years and the communities or ski resorts downwind of the Mokelumne program have not experienced significant impacts directly linked to cloud seeding events. Any possible adverse impacts downwind would be reduced or avoided by using the suspension criteria included as part of the project.

**Potential Impact No. 6, Cloud seeding could affect large-scale or long-term meteorology.**

Cloud seeding activities are performed to enhance the number of ice nuclei and consequently the amount of precipitation created by a particular storm system. Storm systems have a relative short lifetime. Cloud seeding that has occurred in the areas in the past has been in the frequency of approximately 40 to 60 times per year.

The impacts to temperature and amounts of moisture resulting from this weather modification program would not affect large-scale nor long-term weather patterns because this project's effects only occur during short and infrequent storm periods and occur over a relatively small area in the lower atmosphere. The long-term and large-scale weather patterns in the project region are mostly influenced by the Pacific Ocean and upper atmospheric conditions such as the jet stream, which is not expected to be affected by this project.

### Mitigation Measures

There were no air quality impacts identified; therefore, no mitigation is required.

### Level of Significance After Mitigation

There would be no significant adverse air quality impacts associated with the Stanislaus Weather Modification Program.

## Biological Resources

### Significance Criteria

Biological impacts would be considered significant if the proposed project could directly or indirectly cause a substantial measurable change in species composition, abundance or normal variability, or ecological function within aquatic or terrestrial habitats. Substantial alteration of "critical habitats" as defined by the Stanislaus National Forest Land and Resource Management Plan, are critical elements of wildlife and fish habitat and diversity within the general forest environment and include mountain meadows, riparian zones, late several stage forests, snags and logs, and lakes and streams.

variation to which aquatic life is adapted. Continued cloud seeding would not be expected to cause a measurable change in the composition of aquatic communities because of the minor amount of snowpack augmentation.

**Potential Impact No. 12, The continued use of silver iodide as a cloud seeding nucleating agent could cause chronic toxic impacts to terrestrial and aquatic organisms.**

Particulate raindrop nuclei consisting of approximately equal parts of silver and iodide will eventually enter into the soil, streams and reservoirs in the target watershed. The effects of iodine on the biological community are considered minimal. Iodine is a naturally occurring element required by many organisms for survival. It has been estimated that a person would have to consume 130 gallons of precipitation from a storm seeded with silver iodide (AgI), at one time, in order to consume the amount of iodine equal to that consumed with a meal of eggs flavored with iodized salt *(Cooper and Jolly, 1969 in Parsons Engineering Science, Inc., October 1995).*

Ionic or free silver ($Ag^+$) is one of the more toxic of the heavy metals to lower plants and animals, but is only moderate toxic to higher organisms. There is little danger to humans, other mammals or birds from free silver in cloud seeding operations because of the extremely low concentrations used. The silver iodide concentrations in precipitation resulting from cloud seeding typically range from 10 to 100 parts per trillion (ppt) (0.01 to 0.10 µg/l) which is comparable to the silver concentration in seawater and far below the US Public Health Service standard for drinking water of 0.05 ppm (50 µg/l). No effect on plant growth has been observed with free silver concentrations up to 10,000 ppm. Due to the extremely low concentrations of free silver that would result from cloud seeding and its low solubility, effects on terrestrial organisms are expected to be slight and immeasurable. *(Parsons Engineering Science, Inc., October 1995).*

The toxic effects of free silver ions are more pronounced in aquatic organisms. Silver in the form of $Ag^+$ is toxic to fish and anaerobic organisms. Laboratory experiments have shown silver toxicity in aquatic insects and rainbow trout eggs at concentrations in the parts per billion range *(Klein 1978 in Parsons Engineering Science, Inc., October 1995).*

The instantaneous maximum criterion of 2.3 micrograms of silver per liter (µg/l, equivalent to parts per billion) is the aquatic toxicity criterion adopted by the State Water Resources Control Board in the Inland Waters Plan. Nearly all of the $LC_{50}$ (lethal concentration at which 50 percent of the test population dies) concentrations in the EPA AQUatic toxicity information Retrieval (AQUIRE) database (1992 and 1994 update) are greater than this criterion. The SWRCB criterion is therefore reasonable.

Reported $LC_{50}$ values for adult rainbow trout, fathead minnow and frog typically range from 4 to 30 µg/l and up to 280 µg/l. However, smaller aquatic organisms are generally more sensitive to toxic heavy metals such as silver. $LC_{50}$ and $EC_{50}$ figures for the water flea *(Daphnia magna)* vary from 0.39 µg/l to 55.0 µg/l with 17 of 42 reported tests (40 percent) falling below the 2.3 µg/l criterion. The single reported $LC_{50}$ figure for the mayfly *(Ephermerella grandis)* is <1 µg/l. *(Parsons Engineering Science, Inc., October 1995).*

Davies and Goetti also reported the results of studies of fish populations in Buckeye Lake, which occupies a watershed which has been cloud seeded for ten years. Mean concentrations of silver in lake water ranged from 0.27 to 0.61 µg/l and varied seasonally with sediment deposition, resuspension, and plant growth conditions. Silver was found to constitute no ecological threat at these levels in the Buckeye Lake watershed. Health tissue analyzed for silver content indicated a minor amount of silver was concentrated in the bones and liver with decreased concentration found with increasing age (i.e., no evidence of bioaccumulation). No toxic effect of silver to trout or any of the other components of this aquatic system were demonstrated.

Although silver iodide can show a toxic effect on rainbow trout under specific laboratory conditions, Davis and Goetti concluded that its use as a cloud seeding agent does not pose a threat to the aquatic environment. Considering the insolubility of silver iodide and its strong absorption by colloids found in aquatic vegetation and sediments, it would nearly impossible for silver to dissociate sufficiently or rapidly enough to achieve toxic levels of free silver in aquatic environments as a result of weather modification.

Silver iodide solubility in water is $1.5 \times 10^{-10}$ M (about 1 µg Ag/l) at 25°C. Because of this extreme insolubility, silver iodide ionizes only very slightly. The ionic or free form of silver is strongly adsorbed by organic colloids found in aquatic vegetation and sediments. Silver iodide concentrations in cloud seeding precipitation typically range from 10 to 100 ppt (0.1 to1.0 µg/l) or considerably less than the solubility constant of silver iodide. Free silver in melting snowpack would tend to bond to soil particles or be released into streams and further diluted by runoff. The free silver concentrations found in streams, lakes and reservoirs in the Sierra Nevada as a result of cloud seeding operations are typically well below the toxicity levels reported in the AQUIRE database for nearly all aquatic organisms and below the long-term toxicity no-effect concentrations reported for rainbow trout *(Parsons Engineering Science, Inc., October 1995)*. Therefore, toxic effects of cloud seeding to aquatic organisms are highly unlikely to be significant.

The Desert Research Institute has monitored free silver concentrations in snowpack in the central Sierra including the Mokelumne watershed. Background levels of silver in unseeded snow are typically on the order of 1 to 2 parts per trillion. Where cloud seeding has taken place, individual snow samples (i.e., discrete bands) within a core may have on the order of 20 to 40 parts per trillion of silver and rare peak hits of 100 to 200 parts per trillion. Typically no more than 20 percent of the snowpack is above background levels and 95 percent of the silver concentrations measured in snowpack by the Desert Research Institute have been less than 0.005 µg/l. Therefore, the average silver concentration of the snowpack is in the 1 to 6 parts per million range *(Stone 1995 in Parsons Engineering Science, Inc., October 1995)*. Therefore, cloud seeded snowpack has a silver concentration only slightly higher than natural background levels.

Any minor concentrations of silver in individual snow layers would be diluted in snowmelt runoff and streams. Alpine meadows would also tend to strip heavy metals, including silver, through adsorption by organic colloids found in aquatic vegetation and soils.

Studies by the Desert Research Institute found naturally-occurring silver levels in eastern Sierra streams of 4 to 6 ppm. Natural sources of silver in rock were by far the largest source of free silver in these streams. It was unable to detect higher levels of silver in streams fed by cloud-seeded snowmelt runoff than these background levels. These levels are two orders of magnitude lower than the no-effect concentrations of silver iodide in long-term toxicity tests reported by Davies and Goetti.

Because free silver concentrates in sediments and detritus and is toxic to anaerobic bacteria and other microorganisms, the potential to alter nutrient cycling in the aquatic community exists. Some uncertainties exist about how silver iodide and other ionized silver complexes react with and accumulate in sediments and benthic invertebrates in alpine streams, rivers and lakes. Some research has indicated that photodecomposition of silver iodide under anaerobic conditions can release ionic silver from bottom sediments. Accordingly, the presence or absence of free oxygen has been demonstrated to influence the toxicity of free silver to microorganisms *(Klein 1978 in Parsons Engineering Science, Inc., October 1995)*. However, current and future concentrations of silver would not be expected to accumulate at levels toxic to living organisms because of the minute concentrations involved in cloud seeding operations, extreme insolubility of silver iodide, and the high adsorption of ionic silver by colloidal sediments and vegetation.

Given the reported laboratory long-term no-effect toxicity concentration between 0.18 and 0.40 µg Ag/l for green rainbow trout eggs, the most conservative toxic concentration reported for Daphnia

of 0.39 µg/l. and the study results that Buckeye Lake water in a natural ecosystem reported no effect at ranges of 0.27 to 0.61 µg/l, a threshold concentration of 0.4 µg/l of ionic silver was recommended for the Mokelumne Weather Modification Program. Laboratory tests are typically conservative and do not reflect buffering and species adaptation to background levels of heavy metals in a natural aquatic system *(Parsons Engineering Science, Inc., October 1995)*.

The actual amount of AgI released to the atmosphere in cloud seeding operations is very small. Given the stability of silver compounds, extreme solubility of silver iodide in water and absorption of ionic silver by colloids found in sediments and aquatic vegetation, silver concentrations at the target reservoirs resulting from cloud seeding operations are anticipated to be on the order of 0.004 to 0.008 µg/l (within normal background levels). Therefore, silver levels approaching 0.4 µg/l are not anticipated, nor are deleterious effects to aquatic life.

Ionic silver concentrations were measured by the Desert Research Institute for PG&E in the water columns and sediments at two waterbodies within the Mokelumne watershed after its 1994-95 cloud seeding season. Salt Springs Reservoir and Lower Blue Lake were selected because the Salt Springs Reservoir is the receiving waterbody and Lower Blue Lake is located in the upper elevations (above 8,000 feet) of the target watershed where the most cloud seeding occurs. Both lakes also support rainbow trout. Monitoring results reported silver levels in the water samples of 0.0067 µg/l in Lower Blue Lake and 0.0063 µg/l in Salt Springs Reservoir *(Parsons Engineering Science, Inc., October 1995)*. These reported results are two orders of magnitude lower than the established threshold level at which no measurable chronic toxic effect would be anticipated.

Sediment samples from Lower Blue Lake and Salt Springs Reservoir had measurable but variable silver content. Sediment samples average 0.036 mg Ag/kg from Lower Blue Lake and 0.107 mg Ag/kg from Salt Springs Reservoir. However, not detectable free silver could be measured from lake sediment samples undergoing leach extraction, indicating the silver detected in sediment samples is highly insoluble and not entering the lake or downstream surface waters.

Therefore, operations of the Stanislaus Weather Modification Program should not result in any significant chronic effect on aquatic organisms.

**Potential Impact No. 13, Prolonged snowpack duration and accumulation of silver iodide or other silver complexes could alter the rate soil microorganisms decompose organic matter, thereby altering the processes by which nutrients are cycled through the forest ecosystem.**

The rate at which microbial processes decompose matter and release nutrients for plant growth is highly dependent on temperature and moisture. The prolonged snowpack could reduce soil temperatures and decrease the rate of decomposition early in the season. However, small increases in moisture late in the season would offset the early season reduction *(Berg and Smith 1980 in Parsons Engineering Science, Inc., October 1995)*.

Some concern has been expressed because silver concentrates in surface soil zones where soil microbial activity and nutrient cycling essential for plant growth occurs. When silver is deposited in soils by precipitation or snowmelt, it is retained in surface soil layers. Silver tends to concentrate in surface zones through biotic and abiotic processes at levels which exceed background concentrations. Silver binds to clay particles due to its similar ionic radius to potassium and sodium *(Klein 1978 in Parsons Engineering Science, Inc., October 1995)*. It stongly absorbs to humic (organic) colloidals and is not readily released back into solution. Because silver quickly binds to soil particles and organic colloidals, its bioavailability is low.

Generally microorganisms are considered to be more sensitive to the presence of silver than higher plant and animal organisms. The antimicrobial effect of silver has been widely used in medicine and sanitation; however, direct toxicity of silver iodide to soil microorganisms at

environmentally-relevant concentrations is difficult to demonstrate. Predictable low levels of silver ion ($Ag^+$) can be released from silver iodide from the ionization process and can have chronic (long-term) toxic effects within its solubility constant as discussed previously. Silver iodide from seeding operations may produce antimicrobial effects, but they are not observed consistently and these effects occur only at concentrations which far exceed levels expected to accumulate in natural environments due to cloud seeding *(Klein 1978 in Parsons Engineering Science, Inc., October 1995).*

Studies suggest that it would be very difficult to establish toxicity levels or even to detect toxicity for silver iodide from weather modification. Available information on the effects of silver iodide on soils and aquatic microbiological populations indicates that it will be difficult to detect effects under field conditions. Generally, microbial decomposition processes can be observed *(Klein 1978 in Parsons Engineering Science, Inc., October 1995).* Because of the very low concentrations of silver iodide in cloud seeding precipitation and the stability of silver compounds, free silver would not be expected to accumulate in the environment and soils at levels detrimental to soil microorganisms. Therefore, impacts to soil microorganisms and nutrient cycling would be less than significant.

**Potential Impact No. 14, Cloud seeding activities could adversely affect special-status species.**

The use of silver iodide as a nucleating agent has the slight potential to result in accumulation of silver iodide at levels toxic to special-status species. As previously discussed, the cloud seeding program would not significantly affect any organisms, their habitat or distribution. Free silver ($Ag^+$) is no more toxic to these species of concern then to common plant and wildlife species. Reduced special-status species populations are typically the result of habitat loss or other direct disturbance. Cloud seeding has occurred in the adjacent watershed for over 40 years with no evidence that it has contributed to the loss of special-status species populations.

Silver iodide and free silver are generally more toxic to aquatic and semi-aquatic organisms (whether common or special-status). Mountain yellow-legged frog is one special-status species that could be potentially affected by cloud seeding. It is a State of California species of concern and is found in or near rocky perennial streams at high elevations, usually above 6,000 feet. Its distribution is limited due to fish predation.

Acute toxic levels of silver to similar frog species (same genus) are in the range of 4 to 30 and up to 200 µg/l *(EPA 1992, 1994 in Parsons Engineering Science, Inc., October 1995).* This is well above the threshold criteria for silver or the solubility of silver compounds in water. Concentrations of $Ag^+$ in streams in cloud seeded areas are typically two orders of magnitude lower than this concentration.

Special-status plant species are typically limited by specific habitat requirements and not sensitivity to toxic metals. Therefore, special-status plant populations would not be adversely affected by accumulation of silver in soils.

## Mitigation Measures

There were no significant impacts to biological resources; therefore, mitigation is not required.

## Level of Significance After Mitigation

There would be no significant impacts to biological resources associated with the Stanislaus Weather Modification Program.

# Cultural Resources

## Significance Criteria

The State CEQA Guidelines state that public agencies should seek to avoid damaging effects on archeological and paleontological resources whenever possible. If avoidance is not feasible, the Guidelines state that the importance of the site should be evaluated using the criteria contained in the Guidelines.

## Impacts

A long-term weather modification program could potentially affect archeological and historic sites if runoff associated with increased snowpack increased erosional processes, which could uncover and affect objects. However, the relatively limited increase in runoff associated with the project (projected to be a maximum of 10 percent above normal runoff) would occur over a longer duration but not result in accelerated rates of erosion. Therefore, no significant impacts to cultural resources are expected. The identified suspension criteria (discussed in Chapter 2 of this Initial Study) state that cloud seeding would not occur when abnormal runoff conditions exist or are forecast. This criterion would be adequate to mitigate any potential impacts to cultural resources.

## Mitigation Measures

There were no significant impacts to cultural resources identified; therefore, mitigation is not required.

## Level of Significance After Mitigation

There would be no significant cultural resources impacts associated with the Stanislaus Weather Modification Program.

# Geology and Soils

## Significance Criteria

Impacts of the cloud seeding program would be considered significant if the following would result: 1) substantial or marked increases in the potential for geologic hazards such as rockfalls or landslides which threaten public safety; 2) substantial alteration of the physical environment including visible disturbances to unique geologic features and decreases in the value or extractability of mineral resources; and 3) soil loss and decreased productivity that exceeds the criteria established in the Stanislaus National Forest's guidelines "Soil Quality Standards and Long-Term Soil Productivity" contained in its Land and Resource Management Plan.

## Impacts

**Potential Impact No. 15, Slight increases in the total soil moisture and period of saturation could increase the potential for mass movements, rockfalls or landslides.**

Increased precipitation due to the cloud seeding program could incrementally add to the total soil moisture content and period of saturation, thereby reducing slope stability and weakening geologic structure. The increased period of saturation could also prolong the period of increased risk from mass movements. This condition could result in a slight increase in occurrence of

rockfalls and landslides. Increased soil moisture as a result of this program could exacerbate the liquefaction of soils during seismic events and intensify landsliding.
Minor increases in frequency and severity of mass movements would occur in areas already prone to this activity. The increase is these events would be expected to be small because of the minor increases in precipitation attributable to the cloud seeding program, relatively stable geology in the Sierra Nevada, and implementation of suspension criteria which curtails cloud seeding activities when large storm events are expected or seasonal snowpack exceeds 125 percent of normal for a given date. Resource damage from landslides has been insignificant *(Parsons Engineering Science, Inc., October 1995).*

Cloud seeding activities have occurred in the project vicinity over the past 40 years without identifiable significant increases in rockfalls or landslides. No discernable increase in the actual risk to forest users from geologic hazards would be expected. Consequently, small increases in the occurrence or mass movements would be considered less than significant.

**Potential Impact No. 16, Minor increases in the amount of precipitation and runoff could result in a slight increase in the rate of weathering of geologic formations.**

Slight increases in the rate of weathering can be expected to result from increased amounts of precipitation. The increased rate of weathering would be imperceptible, and most likely, immeasurable. This increase in the rate of weathering would not preclude development or diminish the value of mineral resources. It would not result in drastically accelerated weathering of unique geological formations. Because increases in the amount of weathering would be imperceptible and most likely immeasurable, impacts would be considered less than significant.

**Potential Impact No. 17, Small increases in erosion due to an increase in snowpack and runoff could result in accelerated loss and decreased productivity of forest soils.**

An assumed 10 percent increase in the total amount of runoff would be expected to result in small increases in the amount of erosion. The actual increase in runoff would most likely be about 7,5 percent. Cloud seeding activities would increase the duration of the snowpack, snowmelt and runoff but would not appreciably increase the rate of runoff. The snowmelt and runoff rates are primarily controlled by atmospheric temperature and are largely independent of the amount of the snowpack. Increases in the rate of runoff increase overland rill and gully erosion and are related to stream velocities, the primary factor controlling streambank erosion.

The rate of overland erosion is largely dependent on detachment of soil particles from the soil mass and is closely related to rainfall intensity. An increase in the snowpack should have little impact on the rate of sheet or rill erosion, because the presence of the snowpack would preclude raindrop impact on the soil surface. Snow falling on bare ground or rain falling on snowpack should have little impact on the erosion processes.

Only in the transient snow zone would small changes in snowpack depth potentially affect the rate of erosion processes. In these areas, if weather modification resulted in a thin snow cover on the ground that would otherwise be bare, snowmelt during rainfall would lead to greater runoff than would have occurred naturally. Warm winter storms that cause rainfall on snowpack could result in rapid snow melts, high rates of runoff and peak flows. Conversely, the shallow snow cover made possible by weather modification could protect soil from rain drop impact and minimize surface erosion.

An increase in the snowpack should not have any substantial impact on the rate of streambank erosion because warm winter storm events that could cause rainfall on snow resulting in high runoff rates and peak flows would not be seeded. Suspension criteria requirements specify curtailment of seeding events with the potential to induce rainfall on existing snowpack. The

period of runoff and total amount of overland and streambank erosion would be slightly increased, but impacts would not be expected to measurably degrade soil productivity and are considered less than significant.

### Mitigation Measures

There were no geology and soils impacts identified; therefore, no mitigation is required.

### Level of Significance After Mitigation

There would be significant geology and soils impacts associated with the Stanislaus Weather Modification Program.

## Hazards and Hazardous Materials

### Significance Criteria

According to the State CEQA Guidelines, a project would have a significant effect on the environment if it would involve: 1) a risk of accidental explosion or release of hazardous substances; 2) possible interference with an emergency response plan; 3) creation of any health hazard or potential health hazard; 4) exposure of people to existing sources of potential health hazards; or 5) increased fire hazard in areas with flammable brush, grass or trees.

### Impacts

The Stanislaus Weather Modification Program would not involve any of the incidents cited above. Therefore, there would be no significant impacts regarding hazards or hazardous materials associated with the project.

### Mitigation Measures

There were no hazards or hazardous materials impacts identified; therefore, no mitigation is required.

### Level of Significance After Mitigation

There would be significant hazards or hazardous materials impacts associated with the Stanislaus Weather Modification Program.

## Hydrology and Water Quality

### Significance Criteria

Significance criteria as applied to impacts described in the following section are as follows: 1) potential for the project to expose people or property to a significant increase in flood risk or avalanches; 2) potential for the project to substantially degrade water quality; 3) potential for the project to contaminate a public water supply; and 4) reduced amount or diminished quality or water in groundwater aquifers.

## Impacts

**Potential Impact No. 18, Increase runoff from the project could increase flood risks.**

For this analysis, the amount of increase in runoff due to cloud seeding activities has been conservatively estimated to be 10 percent. The actual increase in runoff is expected to be closer to 7.5 percent. A 10 percent increase in runoff would not be expected to be significant based on studies in adjacent watersheds where cloud seeding programs have been ongoing since 1953. However, storm events could cause flooding even without the increases in precipitation attributed to cloud seeding.

Strict adherence to suspension criteria and operation procedures would reduce the increased flood level risk due to cloud seeding to an insignificant level. Cloud seeding would be suspended when flood warnings were issued due to severe weather threats or when continued rainfall results in runoff in excess of reservoir storage capacity. Coordination between weather modification forecasters, District supervisors, and the weather modification program manager would be effective in determining storm seedability to minimize flood risk. This project is not expected to significantly increase runoff or flood risk. The project is not expected to alter runoff to exceed current reservoir flood storage capacity. Therefore, this potential impact is not considered significant.

**Potential Impact No. 19, Increased snowpack potentially resulting from the project could induce elevated peak storm/runoff events.**

Runoff in the Sierra Nevada is controlled by the temperature regime. The rate of meltwater production (runoff) in years of average snowpack is essentially independent of the amount of snow on the ground. A review of historical records indicates that snowpack contributions to extremes of streamflow are minimal. Recent studies suggest that extending the period of snowmelt (due to increased snowpack) does not cause a shift of the entire snowmelt runoff peak, but extends the duration of meltwater production. Therefore,I increased snowpack is not expected to result in observable increase in peaks of major snowmelt runoff events *(Parsons Engineering Science, Inc., October 1995)*.

Floods resulting from winter rains are of moderate concern in the project drainage basin. Kattelmann, while conducting research in the American River Basin, found that warm winter storms that cause rain-on-snow events are responsible for the highest peak flows and occasional mass movements. It was also found that rain-on-snow event magnitude is unaffected by changes in snowpack depth *(Parsons Engineering Science, Inc., October 1995)*.

Snowpack augmentation due to project-related weather modification may be beneficial by providing more storage (a "sponge" effect) for rainfall and by potentially reducing massive flood releases from naturally occurring rain-on-snow events. In this respect, additional snowpack may have a slight moderating influence on streamflow and, therefore, flood potential delaying rain runoff. Rain-on-snow research conducted by Kattelmann suggests that snow delays rainstorm runoff anywhere from a few to 12 hours. However, if weather modification resulted in a thin snow cover on ground that would have otherwise been bare, especially in the transitory zone below 6,000 feet, snowmelt during rainfall would lead to greater runoff than would have occurred naturally. The incremental increase in instantaneous runoff resulting from cloud seeding under these conditions would be slight. A runoff hazard could exist under the combination of record snowpack water content accumulation and a major rain-on-snow event that included a substantial meltoff of the snowpack above 6,000 feet. Following the operating procedures outlined in the proposed suspension criteria, it is improbable that cloud seeding would add materially to the

snowpack contributing to runoff in these rare events. *(Parsons Engineering Science, Inc., October 1995).*

The suspension criteria that have been developed for operation of the weather modification program would halt cloud seeding activities when it was evident that a rain-on-snow event would occur. Even then, the effect of such an event would be sustained by high flow, not an increased peak. The potential sustained high flows are not likely to exceed the capacity of the existing storage/flood control system. Therefore, this impact is not considered to be significant.

**Potential Impact No. 20, Weather modification could potentially increase the risk of avalanches.**

To the extent that this program increases the amount and duration of snowfall during major winter storms, it could increase the frequency of avalanches. However, this tendency is less than proportional to the estimated increase in snowfall. In research studies directed at identifying avalanche-triggering effects, the effects of relatively small incremental increases in snowfall have been marked by more pronounced influences of wind, temperature, rate of snowfall, and stability of the snowpack *(USBR 1977 in Parsons Engineering Science, Inc., October 1995).* Adherence to the project suspension criteria would avoid contributing to hazardous situations such as avalanches. Therefore, this potential impact is considered less than significant.

**Potential Impact No. 21, The weather modification program could extend delayed snowmelt.**

Wind activity and topography prevent snow from falling evenly over an area. Delayed snowmelt would occur primarily in protected areas and locations that accumulate a disproportionately large quantity of snow. Increased time form snowpack melt out would vary according to the duration of augmentation, effect of rain or increased snow on the snowpack, and many other factors, such as temperature regime and amount of cloudiness and sunshine *(USFS 1990 in Parsons Engineering Science, Inc., October 1995).*

Based on previous US Bureau of Reclamation (USBR) studies, incremental increases in Sierra Nevada snowpacks resulting from an increase of up to 8 percent in snowfall did not create lingering snowpacks of significance to the physical and human environment. It is estimated that the delay in snowmelt would extend a few days. Snowpack modeling studies sponsored by the USBR in the Sierra Nevada and Colorado Rocky Mountains and studies sponsored by the Utah Division of Water Resources in the Unita Mountains *(USBR 1990 in Parsons Engineering Science, Inc., October 1995)* indicate that a very small percentage (1-3 percent) of their total target study area would tend to have a delayed snow-free period beyond 3 days. As the effect described above would not be expected to exceed existing reservoir storage capacities within and downstream of the target area, this potential impact is not considered to be significant.

**Potential Impact No. 22, The project could result in increased soluble salts, turbidity, and suspended sediments in surface waters.**

The conservatively estimated 10 percent increase in runoff would, relative to ambient levels, cause an increase in the amount of soluble mineral salts leached from bedrock and soil. However, the increased amount of runoff would also dilute the existing water soluble salt levels to less than or equal to that which would exist without cloud seeding.

The increase in suspended sediments and turbidity would be related to increased flows. Although the potential increase in flow levels would be small, a slight increase in suspended sediments may also slightly increase nutrients which bond to sediments, such as phosphorous. As previously discussed, increases in soil erosion and resultant sedimentation due to cloud seeding would not be significant.

Suspension criteria would curtail cloud seeding activities during storm events with a potential for flooding, or when the existing storage and transfer facilities are near or at capacity. During periods of heavy runoff, detention time in reservoirs and flood control facilities would allow for settling out of suspended sediments which would decrease turbidity and reduce siltation downstream. During the 50-year period that cloud seeding has occurred on the North Fork Mokelumne River watershed, all of the water quality objectives of the Basin Plan have been met and the USFS reports excellent year-round surface water quality. Based on these studies, cloud seeding operations would not significantly degrade surface water quality.

**Potential Impact No. 23, The project could increase the silver ($Ag^+$) in drinking water.**

Free silver in its positive ionic state ($Ag^+$) from cloud seeding activities would eventually enter streams, reservoirs, and other surface waters in the target area. However, silver salts are extremely insoluble and silver iodide is the least soluble of these salts. The solubility constant of silver iodide is $1.5 \times 10^{-10}$ M at 25°C (gram molecular weight per liter), corrected to zero ionic strength, which is equivalent to about 1µg/l, and drops to $1.7 \times 10^{-17}$ M (0.45 µg $Ag^+$/l) at 15°C. Therefore, very little silver iodide is ionized to the $Ag^+$ form which is toxic. Soluble $Ag^+$ is strongly absorbed in the first few centimeters of soil by colloids and organic material and in aquatic sediment and vegetation.

The US Public Health Standard for silver in drinking water is 0.05 ppm. The amount of silver in seeded storms has typically ranged from 0.0001 to 0.0003 ppm (0.1 to 0.3 µg/l), which is far below the drinking water standard. No significant impact to drinking water quality is expected to result from cloud seeding due to the extremely small concentrations of silver involved and its extremely low solubility. Therefore, impacts to drinking water due to elevated $Ag^+$ concentrations would not be significant. Silver iodide would not be present in water at concentrations that would pose any risk to back country patrol personnel, backpackers or other recreation visitors who use water for drinking or cooking.

**Potential Impact No. 24, Increased amounts of precipitation could result in small increases in the amount of groundwater recharge.**

Cloud seeding activities would be expected to increase the recharge rates of groundwater aquifers. The increase in the groundwater recharge rate is closely related to the increase in precipitation, conservatively assumed to be 15 percent, and runoff, 10 percent. This increased recharge would be considered a beneficial impact because it would enhance the available groundwater supply and provide additional water downgradient for instream or other uses.

To test impacts on groundwater from weather modification, snowmelt was artificially extended 11 days at the Central Sierra Snow Laboratory, near Soda Springs *(Parsons Engineering Science, Inc., October 1995)*. The additional snowmelt caused a localized rise in groundwater that expanded laterally and downslope in time. The groundwater "mound" dissipated within two weeks, but higher soil moisture levels persisted for several weeks after the extended period of snowmelt. Similar or typically smaller localized groundwater and soil moisture effects are expected to result from the Stanislaus Weather Modification Program.

## Mitigation Measures

There were no significant impacts to hydrology and water quality identified; therefore, no mitigation is required.

### Level of Significance After Mitigation

There would be no significant hydrology and water quality impacts associated with the Stanislaus Weather Modification Program.

## Land Use and Planning

### Significance Criteria

The State CEQA Guidelines define a significant effect on the environment as a substantial adverse change in the physical conditions that exist in the area affected by the proposed project. According to the State CEQA Guidelines, significant land use or planning impacts would occur if a proposed project would result in the loss of important open space or other resource lands; give rise to substantial land use conflicts; disrupt or divide the physical arrangement of an established community; or conflict with recreational, educational, religious or scientific uses of the area.

### Impacts

**Potential Impact No. 25, Indirect land use conflicts could occur from the project by introducing snow loads during winter months and limiting access for tourists, residents, and recreationists. Limitations on access could have associated economic impacts to businesses primarily within Alpine County.**

The proposed project is estimated to increase snowpack by a maximum of 15 percent above normal conditions. Thus, in a storm event producing up to 2 feet (24 inches) of snowfall, the proposed project could contribute up to 3.6 additional inches of snowpack for a total of 27.6 inches. Increased snowpack could result in access limitations at the higher elevations. Avalanche hazards are addressed in more detail in a previous section entitled "Hydrology and Water Quality".

The length of time during which snow covers the ground is dependent on many factors such as amount of snowpack accumulation, elevation, and temperature. The incremental length of time that snowpack from cloud seeding would remain on the ground would be measured in terms of a few days rather than weeks *(kings River Conservation District 1978 and Department of Water Resources 1990 in Parsons Engineering Science, Inc., October 1995).* The amount of increased snow due to the project is not expected to be significant in terms of limiting access to residents, recreationists and tourists. Associated economic impacts, such as limitations on tourism in the eastern portion of Alpine County, would also not be significant. Cloud seeding operations have occurred in the adjacent watershed for the past 50 years without noticeable effect on access relative to natural variability in snowpack.

**Potential Impact No. 26, The project could conflict with policies of the Forest Plan for the Stanislaus National Forest, as well as policies related to the management of Wilderness Areas as specified in the Forest Plan and the 1964 Wilderness Act.**

Relevant policies are summarized in Table 4-1. As shown in Table 4-1, the only potential conflict may occur in relation to the management of Wilderness Areas. One interpretation of the Wilderness Act could be that increasing precipitation (snowpack) by mechanized cloud seeding operations does not maintain the "natural" state of the wilderness. A new cloud seeding operation, using motorized aircraft flying over may be considered in conflict with Wilderness Act policies. However, it is not anticipated that the small fixed-wing aircraft utilized in cloud seeding activities would intrude into the Wilderness Area. Therefore, it is not believed that program operation would be considered inconsistent with Wilderness Act policy.

**Table 4-1**
**Relevant Policies Related to Cloud Seeding Operations**
**Stanislaus Weather Modification Program**

| Relevant Document | Policy | Relationship of Project to Policy |
|---|---|---|
| Stanislaus National Forest Land and Resource Management Plan (pp. IV-3 through IV-8 and p. IV-97) | B-1 Manage the forest in an economically efficient and cost-effective manner while responding to economic and local needs of the public and local communities. | Potential impacts to the tourism industry and local economics due to increased snowpack are addressed under Potential Impact No. __. |
| | C-1 Maintain air quality that complies with all applicable regulations. Carry out forest management activities in a manner consistent and compatible with the attainment of State and federal air quality objectives. | See section of Air Quality. |
| | C-2 Inventory, evaluate, enhance and manage cultural resources to prevent loss or damage to cultural values, to integrate significant resources into multiple use management, to gain scientific knowledge and management data about them, and to interpret for public benefit and appreciation. | Cultural resources would not be directly affected by the cloud seeding operation. However, indirectly, increased runoff due to the project could increase erosion and impact cultural resources along waterways within and downstream of the target area. The rate of erosion will not increase, therefore, cultural resources would not be significantly affected. |
| | C-6 Provide habitat for viable populations of all native and desired non-native wildlife, fish and plants. Maintain and improve habitat for threatened and endangered species to see that they do not become federally listed as threatened or endangered. | See section on Biological Resources. |
| | C-7 Encourage mineral exploration and development in compliance with applicable laws, regulations and orders. In areas identified as susceptible to slope instability, analyze risks of management activities so as to avoid initiation of acceleration of slope movement and protect human safety and Forest resources. Prevent degradation of groundwater quality and develop groundwater sources to meet domestic, livestock and wildlife needs. | See sections of Geology and Soils and Hydrology and Water Quality. |
| | C-11 Manage riparian areas to protect or improve riparian area-dependent resources while allowing for management of other compatible uses. | See section on Biological Resoruces. |
| | C-18 Maintain or improve water quality and watershed condition to meet applicable State and federal requirements. Realize feasible increases in the quantity of water yield and delays in the timing of runoff by including water yield modification as an objective in the design and manipulation of commercial and non-commercial vegetation. | See section of Hydrology and Water Quality. |
| | C-20 Manage wilderness to preserve its character and values and to | See discussion of project's relationship to the 1964 Wilderness |

| Relevant Document | Policy | Relationship of Project to Policy |
|---|---|---|
| | allow recreational, scenic, scientific, educational, conservation and historic uses consistent with these objectives. | . Act at the end of this table. |
| Stanislaus National Forest Land and Resource Management Plan (p. IV-97, Management Practices and General Direction) | Wilderness Management: Manage to preserve unique wilderness characteristic. Implement Limits of Acceptance Change (LAC). Wilderness management will be consistent with adjoining National Park Wilderness management and will limit use as necessary. Allow commercial uses by permit only after evaluation shows that such use will not compromise wilderness resources and character. | Cloud seeding would be considered a commercial use and would be subject to receiving a permit from the USFS. Potential impacts to wilderness resources are discussed throughout Chapter 4 of this Initial Study as well as at the end of this table. |
| Wilderness Act of 1964 (P.L. 88-577, 78 Stat. 890, as amended; 16 USC 1131 (note), 1131-1136; Section 4 (Limitation of Use and Activities) | (Note: While no specific language of the Wilderness Act addresses weather modification activities, that text which indirectly addresses such an activity is noted below.) | Cloud seeding would be considered a commercial use and would be subject to receiving a permit from the USFS. Potential impacts to wilderness resources are discussed throughout Chapter 4 of this Initial Study as well as at the end of this table. |
| | (b) Except as otherwise provided in this Act, each agency administering any area designated as wilderness shall be responsible for preserving the wilderness character of the area and shall so administer such area for such other purposes for which it may have been established as also to preserve its wilderness character. Except as otherwise provided in this Act, wilderness areas shall be devoted to the public purposes of recreational, scenic, scientific, educational, conservation, and historic use. | |
| | (c) Except as specifically provided in this Act, and subject to existing private rights, there shall be no commercial enterprise and no permanent road within any wilderness area designated by this Act and, except as necessary to meet minimum requirements for the administration of the area for the purpose of this Act (including measures required in emergencies involving the health and safety of person within the area), there shall be no temporary road, no use of motor vehicles, motorized equipment or motorboats, no landing of aircraft, no other form of mechanical transport, and no structure or installation within any such area. | |
| | (d) The following special provisions are hereby made . . .<br><br>(4) Within wilderness areas in the National Forests designated by this Act, (1) the President may, within a specific area and in accordance with such regulations as he may deem desirable, authorize prospecting for water resources, the establishment of reservoirs, water-conservation works, power projects, transmission lines, | |

| Relevant Document | Policy | Relationship of Project to Policy |
|---|---|---|
| | and other facilities needed in the public interest, including the road construction and maintenance essential to the development and use thereof, upon his determination that such use or uses in the specific area will better serve the interests of the United States and the people thereof than will it denial, and (2) the grazing of livestock, where established prior to the effective date of this Act, shall be permitted to continue subject to such reasonable regulations as are deemed necessary to the Secretary of Agriculture. | |

**Potential Impact No. 27, Growth inducement could occur if the project created an increased water supply to support new development. Such growth inducement would occur outside of the project area in areas served by water districts/agencies reliant upon water from the North Fork Stanislaus River.**

Increased precipitation caused by the cloud seeding operation would supply reservoirs used by the Calaveras County Water District and the Utica Power Authority as a source of drinking water for residents downstream of the target area. However, growth inducement is not expected as a result of the project because those dependent upon the North Fork Stanislaus River for drinking water already have an adequate supply, including the appropriate water rights.

While lack of available water can be a constraint to new development (just as a surplus of water could be considered an "incentive" for development), other controls exist that determine the location and rate of development. Local land use plans (e.g., General Plans) and zoning regulations are the primary mechanisms for managing the location and rate of growth.

**Potential Impact No. 28, Increased snowpack could be beneficial to both winter and summer recreational opportunities.**

Increased snowpack and runoff could be beneficial to both winter and summer recreational opportunities within, near to, or downstream of the target area. If the effects of cloud seeding extent to Mt. Reba, for instance, the increased snowpack would benefit the use of this facility. Increased runoff would also improve summer recreational opportunities such as fishing and boating downstream of the target area.

## Mitigation Measures

There were no significant impacts to land use or planning identified; therefore, mitigation is not required.

## Level of Significance After Mitigation

There would be no significant land use or planning impacts associated with the Stanislaus Weather Modification Program.

# Mineral Resources

## Significance Criteria

According to the State CEQA Guidelines, a project would have a significant effect on the environment if it encourages activities which would result in the use of large amounts of mineral resources or uses mineral resources in a wasteful manner.

## Impacts

Implementation of the Stanislaus Weather Modification Program would not consume large amounts of mineral resources nor use mineral resources in a wasteful manner. Therefore, there should be no potential for significant adverse effects on mineral resources.

## Mitigation Measures

There were no significant impacts to mineral resources identified; therefore, no mitigation is required.

## Level of Significance After Mitigation

There would be no significant impacts to mineral resources associated with the Stanislaus Weather Modification Program.

# Noise

## Significance Criteria

According to the State CEQA Guidelines, a project would have a significant effect on the environment if it would increase substantially the ambient noise levels for adjoining areas. Noise affects all types of land uses and activities, although some are more sensitive to high noise levels than others. Land uses identified as noise sensitive include residences of all types, hospitals, rest homes, convalescent hospitals, places of worship and schools.

## Impacts

The only noise associated with the project would be that from the small fixed-wing aircraft utilized to seed the clouds. This would not be an uncommon event in the project area. Therefore, this potential impact would be considered less than significant.

## Mitigation Measures

There were no significant noise impacts identified; therefore, no mitigation is required.

## Level of Significance After Mitigation

There would be no significant noise impacts associated with the Stanislaus Weather Modification Program.

# Population and Housing

## Significance Criteria

According to the State CEQA Guidelines, significant population and housing impacts would occur if a proposed project would cumulatively exceed official regional or local population projects, induce substantial growth in an area either directly or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure) or displace existing housing, especially affordable housing.

## Impacts

The Stanislaus Weather Modification Program would not cumulatively exceed official regional or local population projections, induce substantial growth in an area either directly or indirectly nor displace existing housing. Therefore, it is concluded that the project would not have a significant effect on population or housing.

## Mitigation Measures

There were no significant impacts to population and housing identified; therefore, no mitigation is required.

## Level of Significance After Mitigation

There would be no significant impacts to population and housing associated with the Stanislaus Weather Modification Program.

# Public Services

## Significance Criteria

According to the State CEQA Guidelines with respect to public services, a project would have a significant impact on the environment if it would cause the capacity of public safety and protection systems to be overloaded (thus either requiring additional services or causing the quality of services to suffer) as explained below. The State CEQA Guidelines also suggest that a significant impact would be indicated by the likelihood of a project interfering with an emergency response plan or an emergency evacuation plan.

For the purposes of this analysis, the proposed project would create a significant impact on public services if it would: 1) delay response times by emergency personnel, 2) require a substantial modification to existing facilities or services that would have an impact on sensitive resources or land uses or 3) create an inherently hazardous situation that could not be mitigated.

## Impacts

Implementation of the Stanislaus Weather Modification Program would no delay response times by emergency personnel, require modification to existing public service facilities, or create an inherently hazardous situation. The project would not create any additional demand for public services such as fire, police or schools. It is therefore concluded that there would be no significant impacts on public services associated with the Stanislaus Weather Modification Program.

### Mitigation Measures

There were no significant impacts to public services identified; therefore, no mitigation is required.

### Level of Significance After Mitigation

There would be no significant impacts to public services associated with the Stanislaus Weather Modification Program.

## Recreation

### Significance Criteria

The State CEQA Guidelines define a significant effect on the environment as a substantial adverse change in the physical conditions that exist in the area affected by the proposed project. According to the State CEQA Guidelines, significant recreational impacts would occur if a project would result in the loss of important open space or other resource lands designed for recreational uses and/or conflict with established recreational, educational, religious or scientific uses of the area.

### Impacts

Implementation of the Stanislaus Weather Modification Program would not result in a significant loss of open space or other resource lands presently used for recreational uses and/or conflict with established recreational, educational, religious or scientific uses of the area. Therefore, it is concluded that there would be no significant recreational impacts associated with the Stanislaus Weather Modification Program.

### Mitigation Measures

There were no significant impacts to recreation identified; therefore, no mitigation is required.

### Level of Significance After Mitigation

There would be no significant impacts to recreation associated with the Stanislaus Weather Modification Program.

## Transportation/Traffic

### Significance Criteria

According to the State CEQA Guidelines, a project would have a significant effect on the environment if it causes an increase in traffic which is substantial in relation to the existing traffic land and capacity of the street system.

### Impacts

**Potential Impact No. 28, Cloud seeding could impact traffic.**

Increased snowfall associated with the Stanislaus Weather Modification Program is not expected to have significant impacts on traffic using roadways within the target area due to the small

increase in snowfall and the fact that the suspension criteria would limit cloud seeding during severe storm conditions or when snowpack exceeds 125 percent of normal to date. A study was undertaken by Caltrans of potential impacts of weather modification and increased snowpack (up to 15 percent in normal and below normal years). This study concluded that road closures are more frequently caused by blowing or drifting snow or icing conditions rather than the amount of snowfall *(Turlock Irrigation District 1990 in Parsons Engineering Science, Inc., October 1995)*. The proposed weather modification program would not affect the frequency, temperature, or timing of natural storms. Hourly snow removal costs would not be increased significantly by increased storm intensity.

Some traffic delays and traffic accidents on Highway 4 due to snow augmentation could possibly occur if could seeding resulted in effects outside the target area. The only portion of a State highway that passes through the target area is a small portion of Highway 4 that is closed during winter months. The identified suspension criteria would limit cloud seeding during severe storms or high snowpack years and would prevent significant impacts related to either travel delays or accidents.

Vehicular and non-vehicular access could be limited in the early spring months due to increased snowpack from cloud seeding. The number of days delay due to increased snowpack is not expected to be significant due to the identified suspension criteria and the relatively low increase in snowfall estimated from the project. The incremental increase in the length of time that snowpack would remain on the ground due to cloud seeding would be measured in terms of a few days rather that weeks *(Kings River Conservation District 1975, Department of Water Resources 1990 in Parsons Engineering Science, Inc., October 1995)*. No cloud seeding would occur after May 31 each year or after precipitation accumulation exceeds 125 percent of normal to date (as measured by snow water content in monthly snow surveys conducted February through April). Thus, if snow surveys at the end of April show that precipitation accumulation exceeds 125 percent of normal to date, no additional seeding would occur in May. Access for hikers and residents during summer months would not be impacted.

### Mitigation Measures

There were no significant impacts to transportation/traffic identified; therefore, no mitigation is required.

### Level of Significance After Mitigation

There would be no significant impacts to transportation/traffic associated with the Stanislaus Weather Modification Program.

## Utilities and Service Systems

### Significance Criteria

According to the State CEQA Guidelines with respect to utilities and service systems, a project would have a significant impact on the environment if it would cause the capacity of utilities or service systems to be overloaded thus either requiring additional facilities or causing the quality of services to suffer.

## Impacts

Implementation of the Stanislaus Weather Modification Program would not utilize significant amounts of utilities or service systems. Therefore, it is concluded that the Stanislaus Weather Modification Program would not affect utilities or service systems.

## Mitigation Measures

There were no significant impacts to utilities and service systems identified; therefore, no mitigation is required.

## Level of Significance After Mitigation

There would be no significant impacts to utilities and service systems associated with the Stanislaus Weather Modification Program.

# Chapter 5
# Alternatives to the Proposed Action

## Introduction

This section of the Initial Study briefly addresses two alternatives to the proposed action as well as two alternatives that were considered but rejected. The ability of the alternatives to meet project objectives and their associated environmental impacts are addressed below.

## No Project Alternative

The "No Project" alternative assumes that no cloud seeding operations would take place in the Lake Alpine, Utica and Union Reservoirs and Spicer Meadow Reservoir watersheds. This alternative would not meet any of the objectives established for the project. None of the potential impacts associated with the proposed project would occur under this alternative.

## Cloud Seeding with Ground-Based Generators Utilizing Silver Iodide

A well designed program would include the number and placement of seeding generators so that operations could be conducted reliably and the seeding caused precipitation occurs over the desired area, the target area watershed. PG&E's proprietary targeting model was used to develop these estimates. A benefit/cost analysis of seeding plume coverage and resulting water yield over the target area indicated that four new seeding generators would be desirable for the NCPA target area.

A cloud seeding program developed for NCPA would include placement of new seeding generators in four areas upwind of the Spicer Meadow Reservoir watershed, NCPA's target area (NTA). These four sites include Cabbage Patch, Strawberry Peak, Twin Peak, and Spicer Meadow Reservoir. These sites would provide adequate travel distance and time for ground-based seeding plumes to enhance precipitation over the NTA. An alternative program also considered would place ground seeding generators in the general vicinity of Big Prather Meadow, Spring Gap, Sardine Meadow and Spicer Meadow Reservoir. The ultimate site selection would depend on site availability, land costs, local setting, site access, and other environmental factors which make one site superior to another.

Although this alternative would meet all of the project objectives it was rejected due to the time to acquire the necessary land acquisitions and local permits.

## Ground-Based Seeding Utilizing Propane

Pressurized propane (or nitrogen) released from a jet/nozzle (achieving release temperatures near -6°C) theoretically could act as a cloud seeding agent in some topographical-target area settings. The technology was tried in a recent program sponsored by the California Department of Water Resources on the Middle Fork of the Feather River. Because it is not a technology widely used in the industry nor his it been proven to be effective, seeding with an agency such as propane was not further considered.

## Vegetation Management

Vegetation management technology aims at reducing water consumption by replacing existing vegetation with "less quality" types of vegetation. It can also involve methods of reducing evapotranspiration loss of natural precipitation, thus augmenting runoff and percolation transport. Changing vegetation types in the target watershed would not be considered environmentally or ecologically sound. The high Sierra ecosystem has naturally adapted to the climate and soil types and could be adversely upset by an attempt to change it toward more of a grassland or tundra (no trees).

One method of reducing evapotranspiration losses involves strip cutting of forest in swaths about 50 feet in width. Snowfall accumulates more heavily in these swaths resulting in longer periods of snow melt for percolation and surface runoff in concentrated zones during the spring. Water previously consumed by the cleared trees is then available for transport processes. This practice would not be suited to the target area which ranges in elevation from 6,000 to 9,500 feet above sea level. There are many steep slopes and the forest stands above 7,000 feet are somewhat limited, generally characterized as scattered groves among granite and decomposing granite outcroppings. Soils are generally shallow. Strip cutting this limited forest would lead to higher erosion potential and subsequent adverse effects to the watershed and river system. Thus, vegetation management technology was rejected as an alternative to the existing cloud seeding program. Strip cutting is also prohibited within wilderness areas.

# Chapter 6
# Persons and Organizations Consulted

On November 21, 2005, Northern California Power Agency's environmental consultant, K.S. Dunbar & Associates, Inc., Environmental Engineering, mailed copies of the Notice of Intent to Adopt a Negative Declaration and Initial Study to those on the following list.

## Federal Agencies

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## State Agencies

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Sonora, California 95370

## Interested Entities

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# Chapter 7
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# Appendix A
# Suspension Criteria

# Northern California Power Agency's
# Suspension Criteria
# Stanislaus Weather Modification Program[1]

## Introduction

As in any well designed and responsibly-conducted weather modification program, the NCPA Program design includes basic guidelines for temporary suspension or curtailment of cloud seeding operations under certain conditions. These project safeguards are designed to avoid runoff or reservoir storage beyond manageable limits and to avoid contributing to, or appearing to contribute to, hazardous situations, such as increased flooding, erosion and sedimentation or avalanches, resulting from naturally occurring weather-related phenomena. The parameters used to determine if suspension of cloud seeding operations is appropriate are:

- Excess reservoir storage.
- Total snowfall status.
- Potential flood situations, including rain-on-snow events or avalanches.
- Severe weather threats.
- Temperature, wind speed and cloud altitude.
- Other special circumstances (e.g., search and rescue operations or emergency situations).

Reservoir storage is a NCPA technical consideration related to management of runoff from precipitation. Total snowfall status is usually estimated using data generated by PG&E, the Department of Water Resources, the US Bureau of Reclamation, public utilities and other sources in monthly snow surveys. The cloud seeding program will be temporarily suspended when precipitation accumulation exceeds 125 percent of normal to date as measured by snow water content in the monthly snow surveys conducted in February through April. Once suspended, this program may resume operational seeding if subsequent snow surveys indicated the accumulation has fallen below the 125 percent level in the North Fork Stanislaus watershed. Any discussion of temporary project suspension or termination based on these first two parameters, reservoir storage and snowfall status, is initiated by NCPA personnel.

Consideration of the other four parameters is a routine facet of ongoing forecasting and operational activities considered as part of cloud seeding operations. The decision-making time frame within these parameters is far shorter than commonly used in periodic snowfall assessments. These factors are monitored on a storm-by-storm basis and even on a sub-hourly basis during rapidly changing weather conditions. National Weather Service Flash Flood or Severe Weather Warnings pertinent to the target area or to adjacent watersheds will trigger temporary curtailment of cloud seeding efforts. While curtailment related to severe weather threat is typically infrequent and short-lived, suspension during potential flood situations might span several days. Special circumstances such as search and rescue missions or other emergency situations within the target area may result in temporary curtailment of seeding operations as deemed prudent.

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[1] Adapted from PG&E's Suspension Criteria for its Mokelumne Weather Modification Program.

## Analysis of Effectiveness

NCPA will use a randomization method in selecting storm periods for cloud seeding treatment. The intent of the randomization procedure is to produce a control (non-seeded period) precipitation data set for comparison with precipitation data measured during seeded periods. The randomization procedure is balanced against the need to produce precipitation in the North Fork Stanislaus watershed for hydroelectric generation. Therefore, randomization procedures may be suspended (i.e., all opportunities are seeded) at the discretion of NCPA's management.

The current design of NCPA's Stanislaus Weather Modification Program includes randomization of seeding treatments. Once a seedable opportunity prevails over the Stanislaus target area, a randomized decision to commence weather modification is made. The "seed" or "no-seed" designation is based on a set of individual orders prepared and sealed in envelopes before the beginning of the season. The program is designed for a "seed" or "no-seed" ratio of 1:1. The forecaster achieves a randomized decision to seed or not to seed by opening one of these envelopes when the seedable opportunity is perceived, if the cloud seeding order sheet indicates "seed", the duty forecaster issues an order to activate the cloud seeding operations. If the cloud seeding order sheet indicates "no-seed", the duty forecaster notifies all concerned personnel that a "no-seed" condition prevails and the cloud seeding operations are not activated.

Each "seed" or "no-seed" event is 12 hours in length. A new "seed" or "no-seed" event cannot be initiated until the previous event has completed its assigned time interval. At the discretion of the duty weather forecaster, an event can be terminated early if seeding during is less than seven hours. This option is exercised when forecasted weather conditions do not materialize.

## Personnel

NCPA personnel at the Murphys Hydroelectric Operations and the Roseville Dispatch Center will be responsible for the Stanislaus Weather Modification Program. However, NCPA will contract the cloud seeding operations to a private entity (e.g., Atmospherics, Incorporated) that will be responsible for the day-to-day operations of the program.

# Appendix B
# Environmental Checklist

# CHAPTER 4
# ENVIRONMENTAL CHECKLIST AND ANALYSIS

## Introduction

| | |
|---|---|
| 1. Project Title: | Stanislaus Weather Modification Program |
| 2. Lead Agency Name and Address: | Northern California Power Agency<br>180 Cirby Way<br>Roseville, California 95678 |
| 3. Contact Person and Phone Number: | Norm Worthington<br>(916) 786-0124 |
| 4. Project Location: | Stanislaus National Forest in Alpine and Tuolumne Counties |
| 5. Project Sponsor's Name and Address: | Northern California Power Agency<br>180 Cirby Way<br>Roseville, California 95678 |
| 6. General Plan Designation: | Open Space, Timberlands, Wilderness |
| 7. Zoning: | Agricultural, Wilderness |
| 8. Description of Project: | Weather modification program to augment winter snowfall in the higher elevations of the Spicer Meadow Reservoir watershed. Aerial cloud seeding would take place during the November 1 through May 31 period. |
| 9. Surrounding Land Uses and Setting: | Stanislaus National Forest and Carson-Iceberg Wilderness. |
| 10. Other Public Agencies whose Approval is Required: | None |

## Environmental Factors Potentially Affected

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

| | | | | | |
|---|---|---|---|---|---|
| | Aesthetics | | Agricultural Resources | | Air Quality |
| | Biological Resources | | Cultural Resources | | Geology/Soils |
| | Hazards & Hazardous Materials | | Hydrology/Water Quality | | Land Use/Planning |
| | Mineral Resources | | Noise | | Population Housing. |
| | Public Services | | Recreation | | Transportation/Traffic |
| | Utilities/Service Systems | | Mandatory Findings of Significance | | |

## Determination (To be completed by the Lead Agency):

On the basis of this initial evaluation:

| | |
|---|---|
| X | I find that the proposed project COULD NOT have a significant effect on the environment and a NEGATIVE DECLARATION will be prepared. |
| | I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared. |
| | I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required. |
| | I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures in the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed. |
| | I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable legal standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required. |

Signature _____ Date _____

Printed Name _____ For Northern California Power Agency

## Evaluation of Environmental Impacts:

### Introduction

1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).

2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.

3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.

4) "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant" to a "Less Than Significant Impact". The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, "Earlier Analyses" may be cross-referenced).

5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:

   a) Earlier Analyses Used. Identify and state where they are available for review.

   b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analyses.

   c) Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated", describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.

6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

7) Supporting Information Sources. A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.

8) This is only a suggested form, and lead agencies are free to use different formats, however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.

9) The explanation of each issue should identify:
   a) the significance criteria or threshold, if any, used to evaluate each question; and
   b) the mitigation measure identified, if any, to reduce the impact to less than significance.

## Aesthetics:

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Have a substantial adverse effect on a scenic vista? | | | | | X |
| b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? | | | | | X |
| c. Substantially degrade the existing visual character or quality of the site and its surroundings? | | | | | X |
| d. Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Agricultural Resources

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. *Would the Project:* | | | | | |
| a. Convert Prime Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | | | | | X |
| b. Conflict with existing zoning for agricultural use, or a Williamson Act contract? | | | | | X |
| c. Involve other changes in the existing environment that, due to | | | | | X |

| | | | | | |
|---|---|---|---|---|---|
| their location or nature, could result in conversion of Farmland, to non-agricultural use? | | | | | |

**Discussion:** See Chapter 4 in Initial Study.

## Air Quality

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. *Would the Project:* | | | | | |
| a. Conflict with or obstruct implementation of the applicable air quality plan? | | | | | X |
| b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | | | | | X |
| c. Result in cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? | | | | | X |
| d. Expose sensitive receptors to substantial pollutant concentrations? | | | | | X |
| e. Create objectionable odors affecting a substantial number of people? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Biological Resources

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife | | | | | X |

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| Service? | | | | | |
| b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | | | | | X |
| c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | | | | | X |
| d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites | | | | | X |
| e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | | | | | X |
| f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Cultural Resources

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5? | | | | | X |
| b. Cause a substantial adverse change in the significance of a archeological resource as defined in § 15064.5? | | | | | X |
| c. Directly or indirectly destroy a | | | | | X |

| | | | | | |
|---|---|---|---|---|---|
| unique paleontological resource or site or unique geological feature? | | | | | |
| d. Disturb any human remains, including those interred outside of formal cemeteries? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Geology and Soils

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: | | | | | |
| 1. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. | | | | | X |
| 2. Strong seismic ground shaking? | | | | | X |
| 3. Seismic-related ground failure, including liquefaction? | | | | | X |
| 4. Landslides? | | | | | X |
| b. Result in substantial soil erosion or the loss of topsoil? | | | | | X |
| c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? | | | | | X |
| d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property? | | | | | X |
| e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Hazards and Hazardous Materials

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Create a significant hazard to the public or the environment through the routine transport, use or disposal of hazardous materials? | | | | | X |
| b. Create a significant hazard to the public or the environment through reasonably upset accident conditions involving the release of hazardous materials into the environment? | | | | | X |
| c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | | | | | X |
| d. Be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65963.5 and, as a result, would it create a significant hazard to the public or the environment? | | | | | X |
| e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? | | | | | X |
| f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? | | | | | X |
| g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? | | | | | X |
| h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Hydrology and Water Quality

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Violate any water quality standards or waste discharge requirements? | | | | | X |
| b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? | | | | | X |
| c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in substantial erosion or siltation on- or off-site? | | | | | X |
| d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site? | | | | | X |
| e. Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff? | | | | | X |
| f. Otherwise substantially degrade water quality? | | | | | X |
| g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map? | | | | | X |
| h. Place within a 100-year flood hazard area structures that would | | | | | X |

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| impede or redirect flood flows? | | | | | |
| i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam? | | | | | x |
| j. Inundation by seiche, tsunami, or mudflow? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Land Use and Planning

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Physically divide an established community? | | | | | X |
| b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? | | | | | X |
| c. Conflict with any applicable habitat conservation plan or natural community conservation plan? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Mineral Resources

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Result in the loss of availability of a known resource that would be of value to the region and the residents of the state? | | | | | X |
| b. Result in the loss of availability of a locally-important mineral | | | | | X |

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| resource recovery site delineated on a local general plan, specific plan or other land use plan? | | | | | |

**Discussion:** See Chapter 4 in Initial Study.

## Noise

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? | | | | | X |
| b. Exposure of persons to or generation of excessive groundbourne vibration or groundbourne noise levels? | | | | | X |
| c. A substantial permanent increase in ambient noise levels above levels existing without the project? | | | | | X |
| d. A substantial temporary or periodic increase in noise levels in the project vicinity above levels existing without the project? | | | | | X |
| e. For a project located within an airport land use plan, or where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? | | | | | X |
| f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Population and Housing

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure? | | | | | X |
| b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? | | | | | X |
| c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Public Services

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: | | | | | |
| 1. Fire Protection? | | | | | X |
| 2. Police Protection? | | | | | X |
| 3. Schools? | | | | | X |
| 4. Parks? | | | | | X |
| 5. Other Public Facilities? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Recreation

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | | | | | X |
| b. Does the project include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Transportation/Traffic

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e, result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections? | | | | | X |
| b. Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways? | | | | | X |
| c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? | | | | | X |
| d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous | | | | | X |

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| intersections) or incompatible uses (e.g., farm equipment)? | | | | | |
| e. Result in inadequate emergency access? | | | | | X |
| f. Result in inadequate parking capacity? | | | | | X |
| g. Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Utilities and Service Systems

| | Sources | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? | | | | | X |
| b. Require or result in the construction of new water or wastewater treatment facilities, the construction of which could cause significant environmental effects? | | | | | X |
| c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | | | | | X |
| d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? | | | | | X |
| e. Result in a determination by the wastewater treatment provider that serves or may serve the project's projected demand in addition to the provider's existing communities? | | | | | X |
| f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? | | | | | X |

| | Sources | Potentially Significant Impact | Less Than Significant With Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| g. Comply with federal, state, and local statutes and regulations related to solid waste? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

## Mandatory Findings of Significance

| | Sources | Potentially Significant Impact | Less Than Significant With Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|---|---|---|---|---|
| *Would the project:* | | | | | |
| a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? | | | | | X |
| b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.) | | | | | X |
| c. Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly? | | | | | X |

**Discussion:** See Chapter 4 in Initial Study.

# Appendix C
# Negative Declaration

# Negative Declaration

## Project Name:

Stanislaus Weather Modification Program

## Project Description:

The Northern California Power Agency anticipates implementing the Stanislaus Weather Modification Program. The weather modification program (cloud seeding) would augment winter snowfall in the higher elevations of the North Fork Stanislaus River and Highland Creek watersheds upstream of Lake Alpine, Utica and Union Reservoirs, and Spicer Meadow Reservoir.

The proposed action includes the release of silver iodide from a small fixed-wing aircraft depending on weather conditions during the November 1 through May 31 period.

The proposed program would not increase storm frequency; however, it would enhance precipitation (snowfall) from naturally occurring storms. The amount of precipitation added by cloud seeding is difficult to determine because of the natural variability of precipitation and the difficulty of obtaining representative measurements. However, it is anticipated that the program would enhance runoff approximately 7.5 percent over normal.

## Project Location:

The target area, which is that area in which increased precipitation (snowfall) is desired, is the 74 square mile watershed above Spicer Meadow Reservoir, Utica and Union Reservoirs, and Lake Alpine. Most of the watershed is above the 6,600-foot contour within the Stanislaus National Forest and the Carson-Iceberg Wilderness Area.

## Project Sponsor:

Northern California Power Agency
180 Cirby Way
Roseville, California 95678

## Findings:

On the basis of the attached Initial Study:

| | |
|---|---|
| X | I find that the proposed project COULD NOT have a significant effect on the environment and a NEGATIVE DECLARATION has been prepared. |
| | I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION has been prepared. |
| | I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT has been prepared. |
| | I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures in the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT has been prepared, but analyzed only the effects that remain to be addressed. |
| | I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable legal standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required. |

Signature _____ Date _____

Printed Name _____ For Northern California Power Agency

## Mitigation Measures

No significant impacts were identified; therefore, no mitigation measures are required.

# Commission Staff Report

Date: August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Stanislaus Weather Modification Program - Proposal for Extension of Program. Applicable to NCPA Hydroelectric Facility.

**AGENDA CATEGORY:** Discussion/Action

| | | |
|---|---|---|
| **FROM:** | Ken Speer KS | **METHOD OF SELECTION:** |
| | Assistant General Manager | *Competitive Pricing Process* |
| Division: | Generation Services | *If other, please describe:* |
| Department: | Hydroelectric | |

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☐ | **City of Lodi** | ☒ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☒ | **City of Lompoc** | ☒ | **City of Ukiah** | ☒ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☒ | **Plumas-Sierra REC** | ☒ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☒ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☒ | **City of Santa Clara** | ☒ | **Other** | ☐ |

*If other, please specify*

_____

_____

**SR: 186:18**

## RECOMMENDATION:

Staff recommends that the Commission approve Resolution 18-68 which authorizes the General Manager or his designee to enter into one or more contracts as approved by the NCPA General Counsel, and to issue purchase orders, for a total not-to-exceed amount of $1,800,000 over five (5) years for the Stanislaus Weather Modification Program.

## BACKGROUND:

The Agency proposes to continue its aerial weather modification program that was initiated in the winter of 2006 in the North Fork Stanislaus River watershed above the New Spicer Meadow Reservoir. The program consists of aerial cloud seeding to augment winter snowfall in the higher elevations of the watershed. The goal is to enhance water supply and hydroelectric power production especially during the spring and summer runoff periods.

## FISCAL IMPACT:

Total cost of the program for a five (5)-year period is not-to-exceed $1,800,000. Based on unit / quantity assumptions provided to contractors, the price proposal recommended for acceptance is for ($274,793) for the winter period beginning November 1, 2018 through April 30, 2019. Additional costs could be incurred if services are requested for an additional month (through May 2019), or if actual costs (airplane flight time and consumables) are more than anticipated. The proposal also includes options for NCPA to receive services (if requested), for the next four (4) subsequent winters, at an estimated base cost per year as follows:

| | Base Cost |
|---|---|
| Winter 2019-2020 | $291,637 |
| Winter 2020-2021 | $301,399 |
| Winter 2021-2022 | $311,979 |
| Winter 2022-2023 | $322,956 |

Annual costs will not exceed $1,800,000 over five years. $270,000 was included in the fiscal year 2018-19 Hydro budget for cloud seeding, with an additional $50,000 allocated for the water-for-power program. Purchase orders associated with agreements executed for this program will utilize approved Hydroelectric budget funds.

Scientific experts in the field of weather modification estimate the snow pack can be increased from two to more than ten percent by a well-managed weather modification program. An increase of 2% would result in approximately ten thousand (10,000) MWh per year for the NCPA Hydroelectric Project during an average snow pack year. The value of an additional 10,000 MWh's for 2019 is on the order of $375,000 (assuming a weighted price of $37.50 / MWh). Cost allocation will be based on project participation percentages.

## SELECTION PROCESS:

A formal Request for Proposal was released on June 18, 2018 and sent to the three (3) vendors that are known to provide cloud seeding services in California. Three (3) responses were received. In accordance with NCPA's procurement policies and procedures, these responses will be evaluated and a vendor will be selected based on qualifications of the bidder's proposed Project Team, recent and relevant cloud seeding experience, proposed project approach,

compliance with CEQA, willingness to sign NCPA's General Services Agreement, and corresponding fees.

**ENVIRONMENTAL ANALYSIS:**

Environmental impact considerations were previously analyzed by and are covered by an Initial Study and Negative Declaration ("IS/ND") adopted by the Commission on January 12, 2006. In anticipation of extending the project by an additional five (5) years, NCPA prepared an Addendum to the IS/ND. The Addendum shows that the continuation of the project will not result in any new or previously unidentified significant impacts.

**COMMITTEE REVIEW:**

The recommendation above was reviewed by the Facilities Committee on July 5, 2018, and was recommended for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution

**SR: 186:18**

**RESOLUTION 18-68**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY AUTHORIZING THE GENERAL MANAGER TO ENTER INTO CONTRACTS AND TO ISSUE PURCHASE ORDERS FOR AN AMOUNT NOT TO EXCEED $1,800,000 OVER A FIVE (5) YEAR PERIOD TO PERFORM THE STANISLAUS WEATHER MODIFICATION PROGRAM**

**(reference Staff Report #186:18)**

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains Hydroelectric Facilities on behalf of its project owners; and

WHEREAS, NCPA proposes to extend the Stanislaus Weather Modification Program ("Project") for an additional five (5)-year period; and

WHEREAS, NCPA has solicited bids to carry out the Project over a five (5)-year period; and

WHEREAS, NCPA previously considered and adopted Resolution No. 09-87 adopting an initial study and negative declaration ("IS/ND") for the Project; and

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA") NCPA prepared and adopted an Addendum to the previously approved IS/ND; and

WHEREAS, the Addendum shows that the continuation of the Project will not result in any new or previously unidentified significant impacts to the environment; and

WHEREAS, the proposed weather modification program has been included in the NCPA FY 2018/2019 Budget; 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 one or more contracts as approved by NCPA General Counsel and to issue purchase orders for a total not-to-exceed amount of $1,800,000 over five (5) years for the Stanislaus Weather Modification Program.

PASSED, ADOPTED and APPROVED this ___ day of _____ 2018, by the following vote on roll call:

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

_____
BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

# Commission Staff Report

August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** Increase Authority to the General Manager to enter into agreements and issue purchase orders necessary for turbine maintenance of Alameda CT Unit 1; Applicable to the following projects: NCPA CT1 Facility.

**AGENDA CATEGORY:** Discussion/Action

| | | |
|---|---|---|
| **FROM:** | Ken Speer KS | **METHOD OF SELECTION:** |
| | Assistant General Manager | *Competitive Pricing Process* |
| Division: | Generation Services | |
| Department: | Combustion Turbines | |

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☐ | **City of Lodi** | ☒ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☒ | **City of Lompoc** | ☒ | **City of Ukiah** | ☒ |
| **Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☒ |
| **City of Biggs** | ☒ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☒ | **City of Roseville** | ☒ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☒ | **City of Santa Clara** | ☒ | **Other** | ☐ |

*If other, please specify*

_____

_____

**SR: 183:18**

## RECOMMENDATION:

Approve Amendment to Resolution 18-48 authorizing an increase of the authority of the General Manager of $800,000, to enter into agreements and issue purchase orders for necessary turbine maintenance of Alameda CT Unit 1, and approval of an increase in the FY19 budget for the Alameda CT Unit 1.

## BACKGROUND:

On June 19th Alameda Unit 1 suffered a catastrophic failure of the engine. During the June 28th Commission meeting, the Commission approved Resolution 18-48 authorizing $2,000,000 for the repair of the unit. At that time, bids had not yet been received and the project was based on an estimate. Final bids have been received, and while there are several bids that can accomplish the work under the authority previously granted, there are also compelling options presented that would exceed the authority previously granted. One such option was presented by Sulzer, and is recommended by NCPA staff.

Sulzer has presented an option to replace the entire turbine with a fully refurbished machine comprised of a mix of refurbished used parts and new parts. The key advantage of this option is that the unit has advanced turbine components installed in it. The advanced turbine parts are fully coated from the compressor through the turbine. This coating acts as a protection against the corrosion that we are seeing in these units due to the marine air constantly drafting through. While the coating itself does not improve efficiency, it does prevent efficiency robbing degradation on the machine over time, allowing it to maintain its performance for longer. Even more significant, the advanced parts extend maintenance intervals required for the machine, reducing maintenance costs.

Previously, the approved budget plan for the CT1 project was to perform maintenance on time-based intervals. This was required because the operation of these machines was so infrequent that it would have never reached a maintenance interval based on use. At that time, each machine was starting 20 times or less per year. With the change in market conditions, the units are now starting at a rate of about 160 starts per year. At this level, with the currently installed technology, the units will require a significant maintenance activity (Combustion Inspection, Hot Gas Path, Major) every other year. With the advanced parts in the fully refurbished unit, the requirement to perform a Hot Gas Path is eliminated and the significant maintenance activities are reduced to once every fifth year. Selecting this option provided by Sulzer will allow the unit to take advantage of both of these benefits. The financial results show that there is an economic benefit to selecting this option.

In addition to the above benefits, an engine exchange would also provide the shorted duration of work. To refurbish the existing components would produce a completion date into October or November, with one proposal reaching into December. The solution recommended here will be complete in early September.

## FISCAL IMPACT:

The cost of the project is shown as follows:

| | |
|---|---|
| Sulzer - Replacement Turbine | $2,661,250 |
| ~Sales Tax | $138,750 |
| Max Project Cost Covered | $1,712,115 |
| Member Additional Cost | $1,087,885 |
| Deductible | $500,000 |
| Total Member Cost | $1,587,885 |

With the replacement turbine, it is expected that the Insurer will correctly push back that they are not responsible for the full cost of the project. Based on the bids received, it is estimated that the Insurer liability would be approximately $1,712,115 (less deductible). There would be some negotiation required back and forth with the Insurer to settle on the exact amount of coverage, including whether to settle at medium repair or heavy repair. The $2.8mm cost for the project includes $138,750 Sales Tax (estimated), and $161,250 contingency. After the insurance settlement, the expected final cost to members is $1,587,885. Refunds to Members will occur after the insurance settlement is received.

The Commission approved $2,000,000 during the June 28th commission meeting. Staff is requesting an additional $800,000 in funding approval. The Maintenance Reserve would be used to fund the additional $800,000, and Members would be invoiced monthly in FY2019 to replace the Reserve Fund. Invoicing will be funding needed to replace the reserve, minus any margins received from operations.

The recommended option also produces favorable financial results. The benefit comes exclusively from reduced maintenance costs. The table below shows the Net Present Value of the maintenance costs required to service the engine (assuming 160 starts per year, running to year 2030) for both the current technology installed as well as with the advanced components. Sensitivities were ran at 80 starts per year as well as running to only 2026. At 80 starts per year, while not a negative project, it would not qualify based on low economic return, however, if operation ceased in 2026, the project would still have paid for itself.

| | |
|---|---|
| NPV Maint Cost Current Turbine | $2,663,818 |
| NPV Maint Cost New Turbine | $958,779 |
| Savings | $1,705,039 |
| IRR | 16% |
| Payback | 5 Years |

## SELECTION PROCESS:

All of the work associated with this maintenance was put out for formal bidding to qualified contractors. Bids were received from Allied Power Group, LLC, Ethos Energy Field Services, LLC, and Sulzer Turbo Services Houston, Inc.

**ENVIRONMENTAL ANALYSIS:**

These activities are categorically exempt under Class 1 from the provisions of the California Environmental Quality Act pursuant to Section 15301 of the CEQA Guidelines for routine operation, repair, maintenance, or minor alteration of existing structures or facilities not expanding existing uses at NCPA power plants. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013, by Resolution 13-97 (SR 215:13 for reference) for this class of work and was filed in Alameda County.

**COMMITTEE REVIEW:**

The recommendation above was reviewed by the Facilities Committee on August 14, 2018, and was recommended for Commission approval as a Discussion/Action Item.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution

**SR: 183:18**

**AMENDED RESOLUTION 18-48**

**AMEND RESOLUTION 18-48 OF THE NORTHERN CALIFORNIA POWER AGENCY TO INCREASE AUTHORITY OF THE GENERAL MANAGER TO ENTER INTO AGREEMENTS AND TO ISSUE PURCHASE ORDERS NECESSARY FOR TURBINE MAINTENANCE OF ALAMEDA CT UNIT 1 AND INCREASE THE CT1 FY19 BUDGET**

**(reference Staff Report #164:18 and 183:18)**

WHEREAS, on July 19, 2018, Alameda CT Unit 1 during normal start up reaching 18 MW, 6 MW short of its rating, experienced a trip during an assessment of the machine; and

WHEREAS, a full borescope was ordered to more thoroughly inspect the machine. Significant damage was found in the compressor section, while minor debris and impacts were observed in the combustion and turbine section; and

WHEREAS, on June 28, 2018, the Commission approved Resolution 18-48, granting the General Manager authority to enter into agreements and issue purchase orders necessary for maintenance on Alameda CT Unit 1 for a total cost not to exceed $2,000,000; and

WHEREAS, staff is requesting an increase in the authority to the General Manager of $800,000, with the additional funds coming from the Maintenance Reserve fund, and an increase in the FY19 budget for the Alameda CT Unit 1; and

WHEREAS, these activities are categorically exempt under Class 1 from the provisions of the California Environmental Quality Act pursuant to Section 15301 of the CEQA Guidelines for routine operation, repair, maintenance, or minor alteration of existing structures or facilities not expanding existing uses at NCPA power plants. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013, by Resolution 13-97 (SR 215:13 for reference) for this class of work and was filed in Alameda County; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes to increase the authority of the General Manager of $800,000 to enter into agreements and issue purchase orders for necessary turbine maintenance of Alameda CT Unit 1, and approval of an increase in the FY19 budget for the Alameda CT Unit 1.

PASSED, ADOPTED and APPROVED this ___ day of _____ 2018, by the following vote on roll call:

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

_____
BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

27

# Commission Staff Report

Date: August 15, 2018

**COMMISSION MEETING DATE:** August 23, 2018

**SUBJECT:** NCPA Wildfire Mitigation Plan. Applicable to the following projects: All NCPA Generation Facility locations

**AGENDA CATEGORY:** Discussion/Action

| | | |
|---|---|---|
| **FROM:** | Ken Speer KS | **METHOD OF SELECTION:** |
| | Assistant General Manager | *N/A* |
| Division: | Generation Services | *If other, please describe:* |
| Department: | Generation Services | |

**IMPACTED MEMBERS:**

| | | | | | |
|---|---|---|---|---|---|
| **All Members** | ☒ | **City of Lodi** | ☐ | **City of Shasta Lake** | ☐ |
| **Alameda Municipal Power** | ☐ | **City of Lompoc** | ☐ | **City of Ukiah** | ☐ |
| **San Francisco Bay Area Rapid Transit** | ☐ | **City of Palo Alto** | ☐ | **Plumas-Sierra REC** | ☐ |
| **City of Biggs** | ☐ | **City of Redding** | ☐ | **Port of Oakland** | ☐ |
| **City of Gridley** | ☐ | **City of Roseville** | ☐ | **Truckee Donner PUD** | ☐ |
| **City of Healdsburg** | ☐ | **City of Santa Clara** | ☐ | **Other** | ☐ |

*If other, please specify* _____

_____

## RECOMMENDATION:

Approval of Resolution 18-67 for the NCPA Wildfire Mitigation Plan, to apply to all NCPA Generation facilities. This plan is to remain in effect until replaced by the NCPA Commission.

## BACKGROUND:

Public Utilities Code, Division 4.1, Chapter 6 Wildfire Mitigation (effective January 1, 2017), Code 8387 requires electric utilities to assess the risk of catastrophic wildfire posed by a utility's overhead electrical lines and equipment. For publicly owned electrical utilities and electrical cooperatives, significant risks shall be mitigated through a board-approved plan. Such a plan shall be revised as required.

## FISCAL IMPACT:

The proposed plan is comprised of established NCPA preventive maintenance procedures and practices whose expenses are already covered in the Plant budgets.

## 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 August 1, 2018, and was recommended for Commission approval on Consent Calendar.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on August 13, 2018, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- NCPA Wildfire Mitigation Plan

**SR: 185:18**

**RESOLUTION 18-67**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE WILDFIRE MITIGATION PLAN FOR ALL NCPA GENERATION FACILITIES**

**(reference Staff Report #185:18)**

WHEREAS, the Northern California Power Agency (NCPA) owns, operates, and maintains power plants whose facilities include overhead electrical lines and equipment; and

WHEREAS, per Public Utilities Code (PUC), Division 4.1, Chapter 6 Wildfire Mitigation (effective January 1, 2017), Code 8387, an electrical utility is required to determine whether any of a utility's overhead electrical lines and equipment is located in areas where there is a risk of catastrophic wildfires, and, if so, to have a plan in place to mitigate such risks; and

WHEREAS, for publicly owned electric utilities or electrical cooperatives, the PUC requires that such a mitigation plan shall be reviewed and approved by the utility's governing board, and revised at an interval determined by the board; and

WHEREAS, the NCPA Wildfire Mitigation Plan addresses these requirements by describing:

- The method to identify where there is a significant risk of catastrophic wildfire posed by overhead electrical lines and equipment owned and operated by NCPA.
- NCPA measures directed towards mitigating the risks
- The review and approval process for this plan; and

WHEREAS, for Calendar Year 2018, based on California Public Utility Commission maps, NCPA has determined that there is significant wildfire risks in the areas of its Geothermal and Hydroelectric projects; 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 adoption of the NCPA Wildfire Mitigation Plan, to be implemented at all NCPA Generation Facilities, and to remain in effect until replaced by the NCPA Commission.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2018 by the following vote on roll call:

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

BOB LINGL
CHAIR

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY

# NCPA Wildfire Mitigation Plan

**Requirement**

Pursuant to Public Utilities Code, Division 4.1, Chapter 6 Wildfire Mitigation (effective January 1, 2017, see Attachment 1), NCPA "...shall construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment."

**Purpose and Scope**

- Identify areas where there is a significant risk of catastrophic wildfire posed by overhead electrical lines and equipment owned and operated by NCPA.
- Describe mitigation measures.
- Describe the review and approval process for this plan.

**Responsibilities**

- The NCPA Commission (governing board) is responsible for reviewing and approving this plan and subsequent revisions as needed.
- NCPA Generation Services Facility (Plant) Managers and the NCPA Power Management Coordinated Systems Operations Manager are responsible for the implementation of this plan and the applicable procedures for the facility in which they oversee.

**Procedure**

- Identify Wildfire Risk Areas and Affected NCPA Assets
    - NCPA Generation Facility Managers shall identify areas where there is a significant risk of catastrophic wildfire.
        - Identification may be "...based on historical fire data and local conditions, and in consultation with the fire departments or other entities responsible for control of wildfires within the geographical area where the utility's overhead electrical lines and equipment are located, whether any portion of that geographic area has a significant risk of catastrophic wildfire resulting from those electrical lines and equipment." (SB-1028, 8387(b)).
        - Areas identified by the California Public Utilities Commission.
        - Areas identified, their selection basis, and affected NCPA assets are described in Attachment 2.
- Mitigation Measures
    - Wildfire mitigation is addressed through periodic preventive inspections and maintenance, timely response to observations, and minimizing human-caused risks through "Hot Work" (e.g. welding) practices.
    - Active mitigation processes and procedures are described in Attachment 3.
- Review and Approval
    - The NCPA Commission is responsible for reviewing and approving this plan upon:
        - This Plan's initial publication
        - Need for major revision due to:
        - Changes in the identified wildfire risk area, or
        - Changes in regulatory requirements, or
        - Changes in NCPA owned/operated facilities, or
        - Changes in NCPA policy, plans, practices or procedures, or

    - By commission recommendation or request
- Plan approval shall be documented and retained per NCPA Record Retention Policy.

DRAFT

## Attachment 1

**PUBLIC UTILITIES CODE - PUC**
**DIVISION 4.1. PROVISIONS APPLICABLE TO PRIVATELY OWNED AND PUBLICLY OWNED PUBLIC UTILITIES [8301 - 8387]** *(Heading of Division 4.1 amended by Stats. 1988, Ch. 1560, Sec. 2.)*
**CHAPTER 6. Wildfire Mitigation [8385 - 8387]** *(Chapter 6 added by Stats. 2016, Ch. 598, Sec. 1.)*

**8387.**
(a) Each local publicly owned electric utility and electrical cooperative shall construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment.

(b) The governing board of the local publicly owned electric utility or electrical cooperative shall determine, based on historical fire data and local conditions, and in consultation with the fire departments or other entities responsible for control of wildfires within the geographical area where the utility's overhead electrical lines and equipment are located, whether any portion of that geographical area has a significant risk of catastrophic wildfire resulting from those electrical lines and equipment.

(c) If, pursuant to subdivision (b), the governing board determines that there is a significant risk of catastrophic wildfire resulting from the utility's electrical lines and equipment, the local publicly owned electric utility or electrical cooperative shall, at an interval determined by the board, present to the board for its approval those wildfire mitigation measures the utility intends to undertake to minimize the risk of its overhead electrical lines and equipment causing a catastrophic wildfire.

(d) A fire prevention plan prepared by the local publicly owned electric utility or electrical cooperative, submitted to and approved by a federal agency as a license condition pursuant to subsection (e) of Section 4 of the Federal Power Act (16 U.S.C. Sec. 797 (e)) may, at the discretion of the governing board, be deemed to meet the requirements of this chapter for those areas covered by the fire prevention plan.

*(Added by Stats. 2016, Ch. 598, Sec. 1. (SB 1028) Effective January 1, 2017.)*

DRAFT

## Attachment 2: Identification of Wildfire Risk Areas and Affected NCPA Assets (Effective 2018)

The areas immediately surrounding NCPA Geothermal and Hydroelectric facility assets are deemed to be in a High Fire-Threat District per maps released by the California Public Utilities Commission (CPUC). Specifically:

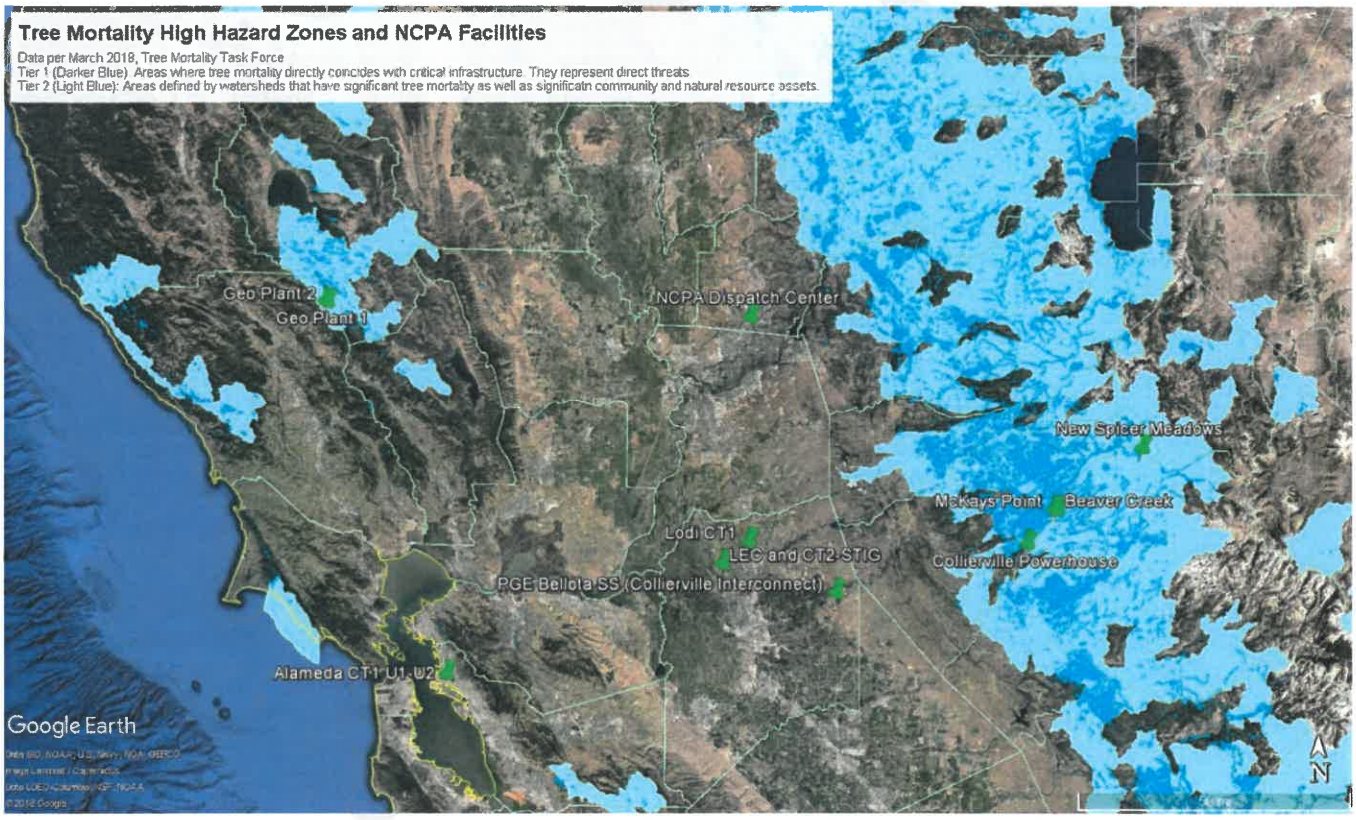
- Geothermal Project
  - Plant 1 230kV Transmission Line
  - Plant 2 230kV Transmission Line
  - SEGEP (Effluent System) 21kV Transmission Line
- Hydro Project
  - Collierville-Bellota 230kV Transmission Line

The CPUC defines a High Fire-Threat District consisting of three areas:

- Tier 1 High Hazard Zones on the U.S. Forest Service-California Department of Forestry and Fire Protection (CAL FIRE) joint map of Tree Mortality High Hazard Zones
- Tier 2 of the CPUC Fire-Threat Map where there is an elevated risk for utility-associated wildfires
- Tier 3 of the CPUC Fire-Threat Map where there is an extreme risk for utility associated wildfires

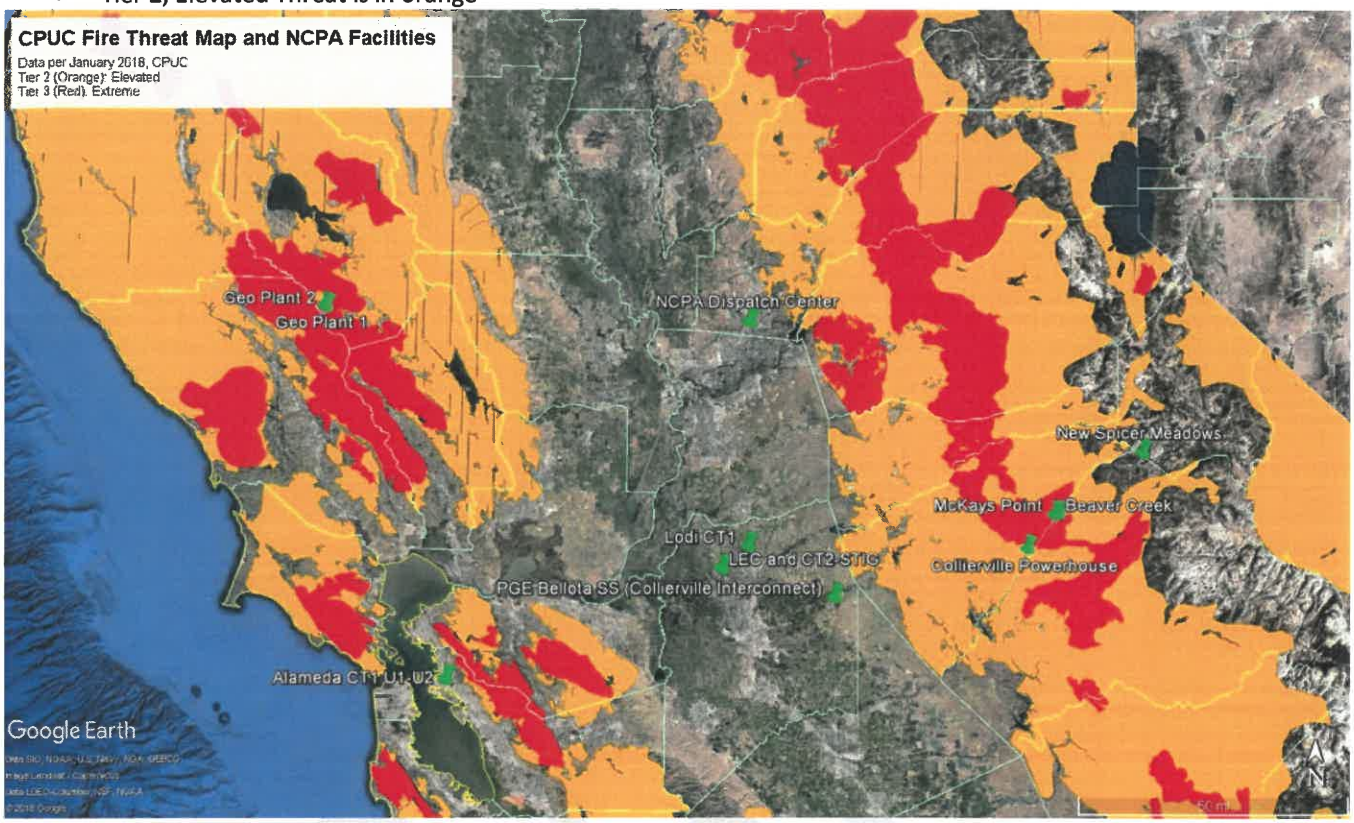
### Tree Mortality High Hazard Zones (March 2018)

- Tier 1 is in dark blue



**CPUC Fire Threat Map (January 2018)**

- Tier 3, Extreme Threat is in red
- Tier 2, Elevated Threat is in orange



## Attachment 3: NCPA Measures Related to Wildfire Mitigation

| Title | Description |
|---|---|
| Emergency Response Plans – NCPA Geothermal Projects | Provides site-specific guidance and emergency resources to call for support or to make notification to in the event of fire, unplanned, sudden or non-sudden hazardous materials/waste releases, air emissions exceedances, natural or manmade disasters (earthquakes, floods, bomb threats or suspected terrorist or sabotage events, etc.) or the emergency hazards. |
| Emergency Response Plans – NCPA Hydroelectric Projects | |
| PM-108 Operating Instructions and Emergency Assistance | Describes the actions NCPA must take to carry out Operating Instructions from the CAISO, PEAK RC, and/or PGAE and emergency assistance requests by the CAISO. |
| PM-201 Emergency Operating Guidelines, Collierville Power House Bellota-Collierville 230kV Lines | Provides specific guidance for the operation of the Bellota-Collierville 230kV lines when a line trips during normal or emergency conditions, including wildfires. This procedure was developed in cooperation with PG&E and WAPA. |
| GS-101 Lock Out Tag Out Try Procedure (LOTOT) | Describes the NCPA procedure to ensure that activities performed in NCPA generation and transmission facilities and related equipment are accomplished safely. The primary purpose of the LOTOT Procedure is for the protection of personnel. |
| GS-103 Electrical Safety Procedure | Describes the NCPA procedure to prevent injury to employees while they are working on or near exposed electrical conductors or circuit parts that are or can become energized. The objectives of this procedure are to enhance electrical safety awareness and reduce or eliminate electrical hazards to employees, the public, and the environment. |
| GS-111 Hot Work Procedure | Describes the NCPA permit system to ensure personnel safety and to control potential fire hazards while employees are performing welding, soldering, grinding or using spark (and/or heat) producing equipment or open flames ("Hot Work"). |
| GS-115 Welding Safety Procedure | Describes the NCPA procedure to establish safe welding and/or cutting operations at all NCPA generating facilities. |
| GS-126 Fire Protection and Prevention Plan | Describes NCPA procedure to define fire prevention standards and establish practices that will minimize fire hazards and reduce the risk of personal injury and property damage from fire. |
| GS-305 Transmission Vegetation Management Program (TVMP) | Describes inspection, maintenance, documentation and reporting requirements for vegetation located within, or adjacent to NCPA's power line right-of-way. Vegetation clearance requirements are established by Cal Fire, California Public Utilities Code, or North American Reliability Corporation (NERC) standard FAC-003, whichever is the most stringent. |