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Minutes

To: NCPA Facilities Committee
From: Michelle Schellentrager
Subject: March 1, 2017 Facilities Committee Meeting Minutes

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

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the January 25th and February 1st Facilities Committee Meetings** – A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending approval of the January 25th and February 1st Facilities Committee Meeting Minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville and Santa Clara. The motion passed.
- 3. All Generation Services Facilities – Matheson Tri-Gas, Inc. First Amendment** – Staff recommended approval of a First Amendment to the Multi-Task General Services Agreement with Matheson Tri-Gas, Inc., 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 facilities owned and/or operated by NCPA. A draft Commission Staff Report was available for review.

Matheson Tri-Gas, Inc. currently provides a variety of gasses to NCPA locations, as needed. This Amendment would increase the not-to-exceed amount from \$200,000 over five years to \$750,000, as well as adding additional delivery facility locations and products to the Purchase List.

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval of the First Amendment to the Multi-Task General Services Agreement with Matheson Tri-Gas, Inc. for continuing to supply various gases to NCPA facilities as needed, with any non-substantial changes recommended and approved by the NCPA General Counsel, and increasing the not-to-exceed amount to \$750,000 over five years for use at all facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 4. All Generation Services Facilities, Members, SCPPA – Control Components, Inc. –** Staff recommended approval of a Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with Control Components, Inc. for valve/vent maintenance and inspection services, with any non-substantial changes recommended and approved by the NCPA General Counsel, with a not-to-exceed amount of \$500,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This agreement would essentially be renewing an existing agreement that recently expired which NCPA previously had with this vendor. A draft Commission Staff Report was available to review.

Motion: A motion was made by Shannon McCann and seconded by Monica Padilla recommending Commission approval of a Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with Control Components, Inc. for valve/vent maintenance and inspection services, with any non-substantial changes recommended and approved by the NCPA General Counsel, with a not-to-exceed amount of \$500,000 over five years 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.

- 5. Geothermal Generation Services Facility – Westgate Petroleum Company, Inc. –** Staff recommended approval of a five-year Agreement for Purchase of Equipment, Materials and Supplies of fuel, oils, lubricants and other miscellaneous petroleum products, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed an amount of \$1,350,000 over five years for use at the Geothermal facility. Staff explained that these funds would only be used if NCPA was required to drill at the geothermal plant. This agreement will only be available for use at the geothermal facility because Westgate Petroleum Company, Inc. only works in the region where the geothermal plant is located. A draft Commission Staff Report was available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Alan Hanger recommending Commission approval of a five-year Agreement for Purchase of Equipment, Materials and Supplies of fuel, oils, lubricants and other miscellaneous petroleum products, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed an amount of \$1,350,000 over five years for use at the Geothermal facility. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

- 6. Geothermal Plan 2 Generation Services Facility – K.W. Emerson, Inc. for Plant 2 Fire Line Suppression Service Line Replacement Project –** Staff recommended Commission approval of a Public Works Agreement with K.W. Emerson, Inc. for a not-to-exceed amount of \$650,000 for the fire suppression service line replacement project at the NCPA Geothermal Plant 2 Facility and delegate to the NCPA General Manager authority to issue purchase orders against the contract to carry out this work. A draft Commission Staff Report was available for review.

The original scope estimated that 500 feet of fire line would need to be replaced. When work began, other significant issues were uncovered. NCPA hired a Fire Engineer who, after further inspections, revised the amount of fire line that would need to be replaced; NCPA now estimates closer to 1900 feet of fire line will need to be replaced. The updated not-to-exceed amount includes contingency funds which would cover costs beyond just replacement of the lines (including potential inspection fees, or covering the cost of tearing into the ground grid, if needed). Staff reviewed the dollars budgeted for each part of the project with the Members (using a chart found in the draft Commission Staff Report). Staff also assured Members that this would not impact FY2018 budgets.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of a Public Works Agreement between NCPA and K.W. Emerson, Inc. with any non-substantial changes as approved by the NCPA General Counsel, in an amount not-to-exceed \$650,000 for the construction of a Plant 2 Fire System at the Geothermal Facility and authorize the General Manager to approve the issuance of purchase orders for any amount as needed pursuant to the contract. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

7. Schedule Coordination Services for Lathrop Utility – Staff explored the possibility of providing Schedule Coordination Services for Lathrop Utility, and asked the Facilities Committee to provide guidance on whether to pursue this further.

Staff gave background on the Lathrop Irrigation District, including the current load levels and growth potential. The Lathrop Irrigation District was formed to service the growing River Islands Community. Lathrop previously contracted with Calpine for Schedule Coordination Services, however that contract expired on January 31st, 2017. NCPA has told Lathrop that it could take upwards of three months (or more) to get a finalized contract in place, should NCPA decide to move forward.

Members asked staff how this would impact NCPA resources/time; NCPA staff was able to reassure members that the impact would be nominal. Members cautioned that they would like NCPA to examine Lathrop's financials carefully, as well as the impact on NCPA staff time, before moving forward with a final approval of any contract.

Motion: A motion was made by Basil Wong and seconded by Steve Hance recommending NCPA staff move forward with exploring the possibility of providing Scheduling Coordination Services to Lathrop Irrigation District. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

8. Planning and Operations Update –

- **Placer County CCE:** NCPA is still working with Placer County Water Agency as they move towards forming their CCE. NCPA recently arranged a joint meeting with CAISO and Placer County Water Agency, and continues to assist them with their long-term power supply portfolio.
- **Merced/PCWA:** NCPA continues to work on integration. Merced would like NCPA to begin scheduling for them 30-60 days earlier than originally anticipated. The start date for scheduling services for PCWA remains the same (January 1st, 2018). Dennis is working with both entities to put together operating procedures.
- **TO18:** There will be a settlements conference on the 7th and 8th of March. NCPA has a meeting scheduled for Mon, March 6th with PG&E to discuss further. There is another settlements conference tentatively scheduled for March 15th back in Washington, D.C.
- **FY18 Budget:** NCPA continues to work across all divisions to reduce costs further; updates will be discussed in the upcoming Special Facilities Committee Meeting schedule for March 15th.
- **UD Retreat:** The UD Retreat will be held next week. Topics scheduled to be discussed include advanced metering projects, CCA's and the risks/opportunities in working with JPA's, and upcoming Transmission Projects.
- **Ken Speer – Hydro Updates:** Ken Speer gave an update on NCPA's hydro plant. Hydro currently has 190-240 acre feet of water, and NCPA plans to start moving water out of Spicer soon. The amount of water NCPA will need to move will be contingent on the amount of snow melt/run off. Power Management is looking at historic data of spilling in previous years to help assist in forecasting amounts that may need to be moved.

9. Schedule next meeting date – The next regular Facilities Committee meeting is scheduled for April 5th.

ADJOURNMENT

The meeting was adjourned at 10:35am.

DRAFT