



651 Commerce Drive
Roseville, CA 95678

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

Minutes

Date: March 16, 2018
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: March 13, 2018 Facilities Committee Special 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), Jiayo Chiang (Lodi), Tikan Singh (Lompoc), Monica Padilla (Palo Alto), Jared Carpenter (Port of Oakland), and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Healdsburg, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Hydroelectric Facilities – Andritz Hydro Multi-Year Field Services Agreement** – Staff was seeking a recommendation for Commission approval of a Multi-Year Field Services Terms and Conditions Agreement with Andritz Hydro for engineering support and field services related to major electromechanical equipment and plant operations, with a not to exceed amount of \$10,000,000, for use at NCPA Hydroelectric Facilities. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. The existing agreement for field services expires on April 29, 2018. This is an enabling agreement with no commitment of funds.

Motion: A motion was made by Shannon McCann and seconded by Monica Padilla recommending Commission approval authorizing the General Manager or his designee to enter into a multiple year Amended Terms and Conditions Agreement with Andritz Hydro for engineering and field services as needed at the NCPA Hydroelectric Facilities, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$10,000,000 over five years for use at the hydroelectric facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 3. Hydroelectric Facility – Collierville Gantry Crane Maintenance** – Staff was seeking a recommendation for Commission approval authorizing the General Manager to enter into one or more contracts and to issue purchase orders for a total not-to-exceed amount of \$550,000 for Collierville crane maintenance. A draft Commission Staff Report and Resolution were available for review.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into one or more agreements and to issue purchase orders, with a total not-to-exceed amount of \$550,000, for maintaining and upgrading the gantry crane at Collierville powerhouse in advance of the stator winding replacement. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 4. Hydroelectric Facilities – Pending Insurance Claims** – Staff provided background information and was seeking a recommendation for Commission approval authorizing the General Manager to execute Proof of Loss forms for \$1,770,036 (gross) for the Beaver Creek Reservoir Storm Damage Claim and \$2,600,000 (gross) for the Adit 4 Landslide Claim to settle and close both claims. After an internal analysis this is considered a very good outcome.

Motion: A motion was made by Shannon McCann and seconded by Monica Padilla recommending Commission approval authorizing the General Manager to execute Proof of Loss forms for \$1,770,036 (gross) for the Beaver Creek Reservoir Storm Damage Claim and \$2,600,000 (gross) for the Adit 4 Landslide Claim to settle and close both claims at the NCPA Hydroelectric Project. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 5. All Generation Services Facilities, Members, SCPPA – HRST, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five year Multi-Task General Services Agreement with HRST, Inc. for inspection services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds. After discussion with the Committee it was decided to adjust the not to exceed amount to \$1,000,000.

Motion: A motion was made by Steve Hance and seconded by Shannon McCann recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with HRST, Inc. for inspection services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 6. Approval of Services Agreement with San Jose Clean Energy** – Staff provided background information and was seeking a recommendation for approval of a Services Agreement between

NCPA and San Jose Clean Energy (SJCE), under which NCPA will supply certain wholesale power supply services to SJCE.

NCPA and SJCE have been in negotiations regarding the Services Agreement, during the last few weeks. The scope of services for SJCE includes scheduling coordinator services, control center services, and portfolio management and procurement services. These services are generally consistent with the scope of services currently being provided to Pioneer Energy and East Bay Community Energy. The Committee reviewed the current draft SJCE services agreement.

Motion: A motion was made by Shannon McCann and seconded by Mike Brozo recommending Commission approval and authority for NCPA to enter into a Services Agreement with San Jose Clean Energy as presented to the Facilities Committee on March 13, 2018, under which NCPA will supply certain scheduling and portfolio management services to San Jose Clean Energy, including any non-substantive modifications to the Services Agreement approved by NCPA's General Counsel. To the extent any substantive modifications are incorporated into the Services Agreement subsequent to this action, Staff will present such modifications to the Facilities Committee for further review and action. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

7. **Generation Services FY2019 Budget Review and Approval** – Staff presented an updated budget for FY2019 for Generation Services, and was seeking a recommendation for Commission approval of the budget.

Hydro FY2019 Budget: Staff reviewed the updated FY2019 proposed budget. Changes in the overall budget include an \$800,000 increase rather than a \$1.5m decrease due to increases in CAISO charges. The net revenue assumptions is \$24m. The net budget cost is \$29m with a decrease in member's costs of \$477,681. The proposed projects remain the same, with a total cost of \$1,975,000.

CT's FY2019 Budget: Staff reviewed the updated FY2019 proposed budget for the CTs.

- **CT1 FY19 Budget:** The proposed budget for CT1 decreased \$9,729, for a total FY2019 budget of \$3,107,078. The proposed projects remain the same. Fuel charges are increasing due to overall use of the CT1.
- **CT2 FY19 Budget:** The proposed budget for CT2 decreased \$29,383 for a total FY2019 budget of \$7,286,412. The proposed projects remain the same. Debt services will end in 2025.

Geo FY2019 Budget: Staff reviewed the updated FY2019 proposed budget. The total FY2019 proposed budget remained unchanged at \$34.4m, which is an increase over the FY2018 budget by \$2.2m or 7.1%. The higher request is due to one additional well workover at \$3m. Staff also noted that labor costs are increasing \$56,000 due to reclassifying one Plant Operator to Maintenance Supervisor. The FY2019 cost to members is \$7,707,446 with the return in value to members (REC's & Capacity) at \$6,083,410.

The Generations Services overhead budget is the same budget as last year. The annual budget cost for FY2019 is \$1.5m with a slight increase of \$38,000.

- 8. Administrative Services FY2019 Budget Review and Approval** – Staff presented an updated budget for FY2019 for Administrative Services, and was seeking a recommendation for Commission approval of the budget.

The FY2019 proposed budget for Administrative Services is \$15,846,021 for an overall increase of \$1,083,445. The proposed projects remain the same with a reduction of \$5,000 for office furniture. The overall increase is due to PERS increasing by 10-12% (\$1m).

- 9. Power Management FY2019 Budget Review and Approval** – Staff presented an updated budget for FY2019 for Power Management, and was seeking a recommendation for Commission approval of the budget.

The overall Power Management FY2019 proposed budget is \$11.7m for a total increase of 5.2%. This increase is down .7% since the last Facilities Committee meeting. This change is due to the re-classifying of the Resource Analyst Position to a I/II level instead of a III/IV level. Revenue will be increasing by \$2.2m with the addition of new services for PCWA, Pioneer Energy, East Bay Community Energy, and San Jose Clean Energy. The legal services for Power Management has been reduced by \$90,000 due to in-house legal counsel.

Motion: A motion was made by Monica Padilla and seconded by Alan Hanger recommending Commission approval of the FY2019 budget as presented in the Facilities Committee March 13, 2018 for Generation Services, Administrative Services, and Power Management subject to non-substantive modifications. A vote was taken by roll call: YES = Alameda, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

ADJOURNMENT

This meeting was adjourned at 12:20 pm, and continued Friday, March 16, at 11:00 am for further discussion on item # 6.

The Facilities Committee reconvened at 11:05 am, March 16, 2018. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Hanger (Alameda), Jiayo Chiang (Lodi), Tikan Singh (Lompoc), Jonathan Abendschein (Palo Alto), Chair Mike Brozo (Plumas-Sierra), Shannon McCann (Roseville), and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Gridley, Healdsburg, Port of Oakland, TID, and Ukiah were absent. A quorum of the Committee was not established.

Since the previous adjournment, the Services Agreement with SJCE has been modified. Based on the earlier approved motion by the Committee, staff reviewed the modifications of the agreement. Key changes in the agreement include, both NCPA and SJCE will fully indemnify each other, and if at least two “Material Adverse Effects” of \$100,000 or more happen, SJCE has the option to terminate the agreement. Other changes to the agreement were reviewed by the Committee based on the redline agreement provided.



Staff recommends the cost of service to be \$303,000 per year, for the initial period of September 2018 through Phase 2. Then \$630,000 per year, at full integration, after Phase 2 with a 2% escalation per year.

Since there was not a quorum of the Committee at the reconvened meeting, March 16, the general consensus of those in attendance agreed with the proposed changes of the agreement, and recommended Commission approval of the San Jose Clean Energy Services Agreement at the March 22, 2018 Commission Meeting.

The meeting was adjourned at 11:30 am by Committee Chair, Mike Brozo.

**Northern California Power Agency
March 13, 2018 Facilities Committee Special 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

March 13, 2018 Facilities Committee Special Meeting Continuance Meeting March 16
Attendance List

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

NAME	AFFILIATION
Carrie Zollo	NCPA
Tony Zimma	NCPA
Jane Luckhardt	NCPA
Randy S. Howard	NCPA
Dennis Sismaet	NCPA
Monty Hanks	NCPA