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# Minutes

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**To:** NCPA Facilities Committee  
**From:** Michelle Schellentrager  
**Subject:** June 7, 2017, Facilities Committee Meeting Minutes

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- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Melissa Price at 9:01am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Sara Liuba (Alameda), Paul Eckert (Gridley), Jiayo Chiang (Lodi), Monica Padilla (Palo Alto), Basil Wong (Port of Oakland), Steve Hance, Kathleen Hughes, and Erika Jue (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Healdsburg, Turlock, TID, and Ukiah were absent. A quorum of the Committee was established.

## **PUBLIC FORUM**

No public comment.

Ken Goeke introduced Derrick Mirikitani, who was recently hired as a Sr. Energy Resource Analyst, and gave some background on his previous experience in the utility industry.

- 2. Approve minutes from the May 3<sup>rd</sup> and May 17<sup>th</sup> Facilities Committee Meetings.** A motion was made by Mike Brozo and seconded by Shannon McCann recommending approval of the May 3<sup>rd</sup> and May 17<sup>th</sup> 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, Members, SCPPA & SCPPA Members – Mark II Construction, Inc. for Multi-Site Physical Security Upgrade Project** – Staff recommended approval of a public works agreement with Mark III Construction, Inc. for the purchase and installation of security systems at multiple NCPA Generation Services projects.

In 2015, NCPA hired a consultant to perform an extensive security audit of NCPA's facilities and projects. During that audit, the consultant identified security risks and analyzed the likelihood of occurrence, as well as recommended improvements to mitigate risk.

The funds for this project are encumbered from previous years' budgets, with the exception of the funds for the CT1 improvements. Members requested more information on the CT1 upgrades, including where the funds for the shortfall will come from. Staff explained that a portion of the contingency funds for CT1 will come from amounts already budgeted for other security upgrades, while additional funds will need to be provided by the Members. Shannon McCann requested to see a breakout of STIG costs prior to this item going before the Commission. Construction will start this summer with anticipated completion by December.

Members wanted confirmation that the security upgrades aligned with security mandates from NERC. Staff were able to confirm that the recommended upgrades were vetted against NERC/FERC/CIP policies, and fulfilled the requirements outlined in those policies. Members

encouraged NCPA to explore the potential impacts to insurance premiums, including the possibility for insurance premium decreases with completed of upgrades. Staff assured Members that this will be factored when NCPA goes out to market for insurance in the fall. A draft Commission Staff Report was available for review.

Motion: A motion was made by Shannon McCann and seconded by Melissa Price recommending Commission approval of authorization for the General Manager to Increase CT1 FY17-18 budget by \$221,620 to address budgeted shortfall and to execute a public works agreement with Mark III Construction, Inc. and to issue purchase orders and change orders for not to exceed \$1,283,481 for the installation of security systems at NCPA Geothermal, Combustion Turbines, and Hydroelectric Projects.. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 4. Hydroelectric Facility – Collierville Unit 2 Generator** – Staff recommended approval for the General Manager to enter into one or more agreements for repair of the Collierville Unit 2 Generator. NCPA's hydroelectric facilities are at capacity and this is a critical time for generation. On Sunday, the Unit 2 generator tripped and went offline. Crews have located the ground that tripped, but the unit will be out of service until it is fixed. To do a full repair would require a 6-8 week outage while the unit was disassembled and a complete rewind was performed, during which time there could be revenue losses of between \$75,000-\$100,000 per day. Instead, Staff is proposing a temporary fix in which they will bypass the copper to keep the unit balanced and bring the unit back online at partial capacity.

Members asked why measures were not taken pre-emptively to prevent this issue. Staff explained that it nearly impossible to predict when these failures could happen. These units typically do not begin to have issues until the 30-40 year timeframe, which NCPA's units are still 3-4 years away from. Members wanted additional information on the impacts of the unit being offline for those Members that may have sold system capacity for Collierville in 2017. Tony Zimmer stated that those who have sold capacity will need to arrange for alternative supply and/or renegotiate with the counter-party if the unit becomes unavailable; Tony has stated he would be happy to assist any Members who may be faced with that situation.

There is currently enough money in the maintenance reserve fund to fully rewind the unit (complete the full repair). At this time Staff are not asking for any additional funds, they are simply seeking approval to spend the funds to complete this temporary fix. If the amount needed exceeds \$250,000, a Special Commission Meeting may be called to approve additional funds.

Motion: A motion was made by Monica Padilla and seconded by Tikan Singh recommending Commission approval for the General Manager to enter into one or more agreements and to issue purchase orders, with a total not-to-exceed amount of \$1,000,000 for repair of the Collierville Unit 2 Generator and related facilities at the NCPA Hydroelectric Project. A vote was taken by roll call: YES = Alameda, 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 – RADCO Communications LLC** – Staff recommended approval of a five year Multi-Task General Services Agreement with RADCO Communications LLC, with a not to exceed amount of \$1,000,000. This would be a renewal of a previous contract with RADCO, which is about to expire. NCPA has utilized RADCO for tower maintenance services many times before. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Steve Hance recommending Commission approval of a Multi-Task General Services Agreement with RADCO Communications LLC for communication maintenance services related to microwave communication project support and plant operations, with any non substantial changes

recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, 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 – Stantec Consulting Services, Inc. –** Staff recommended approval of a five year Multi-Task Consulting Services Agreement with Stantec Consulting Services, Inc. for various professional and engineering services, such as civil, environmental, geotechnical, and structural engineering, with a not to exceed amount of \$1,000,000. NCPA has similar agreements with Sage Engineering and Condor Earth Technologies. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Mike Brozo and seconded by Shannon McCann recommending Commission approval of a Multi-Task Consulting Services Agreement with Stantec Consulting Services, Inc. for engineering consulting services related to project support and plant operations, with any non substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 7. All Generation Services Facilities, Members, SCPPA – DRS Marine, Inc. –** Staff recommended approval of a five year Multi-Task General Services Agreement with DRS Marine, Inc. for underwater diving, maintenance, and inspection services, with a not to exceed amount of \$1,000,000. NCPA has utilized DRS Marine, Inc. frequently over the past few years, and they have consistently been low bidders. NCPA has similar agreements with Ballard Diving and Salvage and Global Diving and Salvage, Inc. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Monica Padilla and seconded by Shannon McCann recommending Commission approval of a Multi-Task General Services Agreement with DRS Marine, Inc. for underwater diving inspection, cleaning, debris removal, and confined space entry maintenance services, with any non substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 8. All Generation Services Facilities, Members, SCPPA – Global Diving and Salvage, Inc. –** Staff recommended approval of a five year Multi-Task General Services Agreement with Global Diving and Salvage, Inc. for underwater diving, maintenance, and inspection services, with a not to exceed amount of \$1,000,000. NCPA has similar agreements with Ballard Diving and Salvage and DRS Marine, Inc. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Mike Brozo recommending Commission approval of a Multi-Task General Services Agreement with Global Diving and Salvage, Inc. for underwater diving inspection, cleaning, debris removal, and confined space entry maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES =

Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 9. All Generation Services Facilities – Univar USA, Inc. First Amendment – Staff** recommended approval of an amendment to the existing five year Multi Task Agreement for purchase of Equipment, Materials and Supplies with Univar USA, Inc. Since signing the original agreement in 2013, Geo Staff have determined it would be beneficial to switch chemicals for use in the Stretford abatement system; currently, soda ash is used and staff are proposing a switch to a caustic system. This First Amendment will expand the Scope of Services to include these new chemicals, and will also increase the not to exceed amount from \$250,000 to \$1,200,000 in order to allow this agreement to be used by all NCPA Facilities. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval of the First Amendment to Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Univar USA, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,200,000 over five years for use at all NCPA facilities. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 10. Geothermal Facility – Brian Davis dba Northern Industrial Construction Public Works –** Staff recommended approval of a Public Works Agreement between NCPA and Brian Davis dba Northern Industrial Construction for the construction of a Plant 2 Sulfur Platform at the Geothermal Facility, with a not to exceed amount of \$731,944. Staff explained that the current platform is failing due to numerous issues, the primary of which is extensive rust to the frame of the platform. The cost to repair the current platform is more than the cost to replace it. NCPA went through the standard bid process, however, Brian Davis dba Northern Industrial Construction was the only contractor to attend the mandatory bid walk. The original bid was \$679,645.60, but Staff are requesting an additional \$52,299 to cover any contingencies. Members wanted to know why there were no additional bidders. Staff explained that the remote location of our Geothermal Facility was likely a factor. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval of a public works agreement with Brian Davis dba Northern Industrial Construction and delegate to the General Manager authority to issue purchase orders and change orders for not to exceed of \$731,944 for the Sulfur Platform project at the NCPA Geothermal Plant 2 Facility. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland The motion passed.

- 11. CAISO Overgeneration Update (Informational Only) –** Staff provided an update on procedures related to CAISO overgeneration. Staff shared the dates of the overgeneration messages received so far in 2017, and identified a pattern of overgeneration notifications on weekends, possibly due to lighter loads on the system those days. Staff shared an overview of the overgeneration procedures. The CAISO uses penalty factors to determine which units are cut when overgeneration occurs. The CAISO is working to ensure cuts are equitable, although it appears they tend to cut larger generation units. Members asked what effects this has on self-scheduled base-load units. NCPA staff hopes it will take time before Geo units are cut, and assured Members that if NCPA anticipates negative prices (between -\$50 and -\$100), their procedure includes plans to cut generation during the day.

- 12. Consent Calendar for Facilities Meetings –** Committee discussed the concept of implementing a consent calendar in the Facilities Committee meetings. Staff presented some of

the procedural and logistical issues that could arise with implementation of a consent calendar. Palo Alto stated they did not support a consent calendar for Facilities meetings. Randy Howard mentioned that the current Commission Chair had also voiced opposition for a consent calendar. The Committee agreed to not implement a consent calendar for Facilities meetings. After discussion, however, it was decided that the Facilities committee will begin to identify on their agenda which items should go on the consent calendar for the Commission meeting, and which they recommend should be set aside for further discussion by the Commission.

### **13. Planning and Operations Update**

- The TO18 proceeding continues to advance. A hearing is scheduled for June 12<sup>th</sup> in Washington, D.C, which NCPA's Council plans to attend. Submission of the interveners' testimony will be due in July.
- NCPA continues to meet with PG&E to work on development of a Order 890 compliant transmission planning process. NCPA has provided a timeline and deliverables to PG&E.
- NCPA has an internal group working on the gas transportation storage rate case issue. NCPA has begun internal analysis to mitigate impact to LEC, and NCPA continues to work with NCGC and L&R on these issues.
- Power Management Staff continue to meet with Merced Irrigation District to develop processes and procedures in anticipation of the transmission scheduled on July 1<sup>st</sup>; when Merced will begin receiving Power Management services from NCPA.
- NCPA has provided a proposal to Modesto Irrigation District for L&R services.
- City of Shasta Lake have been approved as full NCPA Member effective June 1, 2017. James Takehara and Tony Zimmer continue to assist with providing information to Shasta Lake on Power Management services available to them.
- NCPA will begin working on the PCWA integration as soon as Merced is fully integrated. IS has already begun analyzing connections to PCWA units and software that may be required.
- Tony Zimmer continues to meet with Sierra Valley Energy Authority (SVEA). At this time, Colfax and Auburn are the only cities that have signed up to participate with SVEA. SVEA has stated they intend to file their scheduling coordinator application with the CAISO within the next week, however, there are still a number of milestones (some which require availability of funds) that SVEA has to meet.
- The UD revenue allocation group have made progress. The group is recommending that 90% of the revenues be allocated to Members and non-Member project participants using the Nexant Model, while the remaining 10% should be allocated only to Members based on A&G.
- Repairs on Adit 4 began on Monday, with the contractor arriving on site. This project needs to be completed prior to the next rain season. Contractors for the Beaver Creek repair project also arrived on site on Monday. NCPA has received a permit to start construction from the Army Corps of Engineers, and are currently in Phase II of the project. Staff are working on a bid package for large sediment removal work, and are hoping to schedule a job walk within a week or so. Staff continues to work with FEMA and insurance underwriters for both projects.

**14. Schedule next meeting date** – the next regular Facilities Committee meeting is scheduled for July 6<sup>th</sup>.

### **ADJOURNMENT**

The meeting was adjourned at 11:10am.

**Northern California Power Agency  
 June 7, 2017 Facilities Committee Meeting  
 Attendance List**

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

MEMBER	NAME
ALAMEDA	<i>Alan Hanger</i>
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	<i>John Lee</i>
PALO ALTO	
PLUMAS-SIERRA REC	<i>Michael Brog</i>
PORT OF OAKLAND	
ROSEVILLE	<i>Mark Mc...</i>
SANTA CLARA	
TID	
UKIAH	

**Northern California Power Agency  
June 7, 2017 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
Carnie Pollo	NCPA
Michelle Schellentrager	NCPA
Dave Poddison	NCPA
Randy Baersed	NCPA
Aaron Werner	NCPA
Ron Yuen	NCPA
Mike Brozo	PSREC
Marty Le Brett	NCPA
Shannon McCann	Roseville
Marty Hawks	NCPA
James Taketara	NCPA
Dennis Sismaet	NCPA
Ken Goeke	NCPA
Melissa Price	Lodi
Tony Zimnce	NCPA
Bob Caracrist	"
Jane Luckhardt	NCPA
Ken Speer	NCPA