



651 Commerce Drive
Roseville, CA 95678

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

Minutes

Date: October 19, 2021
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: October 14, 2021 Special Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** – The meeting was called to order by Committee Chair Basil Wong (Santa Clara) at 2:03 pm. Attending via teleconference and/or on-line presentation were Alan Harbottle (Alameda), Mark Sorensen (Biggs), Terry Crowley (Healdsburg), Jiayo Chiang (Lodi), Shiva Swaminathan (Palo Alto), Mike Brozo (Plumas-Sierra), Jared Carpenter and Khaly Nguyen (Port of Oakland), Nick Rossow (Redding), Brian Schinstock (Roseville), Steve Hance (Santa Clara), and Willie Manual and Owen Goldstrom (TID). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Lompoc, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

OPEN SESSION

DISCUSSION / ACTION ITEMS

- 2. 2022 Major Insurance Renewal Proposal** – Staff presented background information and was seeking a recommendation for Commission approval of the NCPA Major insurance renewals for 2022.

Shortly after the last renewal, staff reached out to FM Global directly given their significant experience and strong reputation in the property insurance market. Founded in 1835, FM Global insures more than a third of the Fortune 1000 companies and total assets in excess of \$25 billion. FM Global takes an engineering-first approach helping their clients be resilient against natural disasters—and this philosophy matched our core principles. FM Global is guided by the belief that most losses are preventable and they will dig deep to understand each business' needs to help reduce risk. In order to have FM Global quote the agency, NCPA held weekly meetings beginning in February and eventually scheduled site visits in April, May and June. After FM Global completed its review, a meeting with the Plant Managers was held to review findings and recommendations. This was the critical last step prior to FM Global providing a quote. To put this in perspective, AEGIS, the current incumbent with a 39% share, scheduled virtual loss control visits. Feedback received from the Plant Managers regarding the loss control process was more positive with the FM Global team than the AEGIS team.

FM Global's proposal has several enhancements in critical areas such as providing a policy limit of \$500 million versus \$325 million and higher sublimits. In addition to the policy enhancements and reduced premium, FM Global provides other value-added services that help reduce NCPA risk, truly making this a partnership. Loss control visits and engineering services are included at no additional charge. For example, if staff engages in a large or complex project, the FM Global team of engineers are ready to assist with plan review services providing their input based on their experiences and data fact sheets, where applicable. To reflect their commitment to a long-term partnership, FM Global's proposal also includes a two-year rate lock. The property premium quoted in Option 2 is \$1 million less than 2021 premiums and \$2 million less than what is estimated from the other markets for 2022. Coupled with a 2-year team, the Agency is set to save over \$4 million.

The remaining markets have been directed to provide their indications by the week of October 18th. Unless they can competitively quote, match (or improve) policy coverages, and provide similar value-added services, staff plans to bind property coverages with FM Global.

Motion: A motion was made by Brian Schinstock and seconded by Mark Sorensen recommending Commission approval authorizing the General Manager to negotiate and bind policy year 2022 property and liability coverages at a not-to-exceed amount of \$5,700,000. This authority includes a not-to-exceed of \$3,700,000 for property insurance and \$2,000,000 for casualty insurance. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Plumas-Sierra, Port of Oakland, Redding, Roseville, Santa Clara, and TID. The motion passed.

- 3. Glover Solar PPA and Third Phase Agreement** – Staff will review and seek a recommendation for Commission approval of the Power Purchase Agreement between Northern California Power Agency and Glover Solar, LLC, and the Third Phase Agreement for Power Purchase Agreement with Glover Solar, LLC. *****This item was pulled from the agenda.*****

Non-essential Members and NCPA staff left the meeting for the closed session discussion Items #4 and #5.

CLOSED SESSION

- 4. CONFERENCE WITH LEGAL COUNSEL** – Existing litigation pursuant to Government Code Section 54956.9(d)(1): Name of case: *In Re PG&E Corporation and Pacific Gas and Electric Company, Debtors; United States Bankruptcy Court, Northern District of California, Case Nos. 19-30088 (Lead Case) and 19-30089 DM.*
- 5. CONFERENCE WITH LEGAL COUNSEL** – Anticipated Litigation, significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) – two cases.

RECONVENED TO OPEN SESSION

All meeting attendees rejoined the public meeting.

REPORT FROM CLOSED SESSION

Closed Session Disclosure: General Counsel Jane Luckhardt stated no reportable action was taken on the closed session Items #4 and #5.

ADJOURNMENT

The meeting was adjourned at 3:29 pm by the Committee Chair.

**Northern California Power Agency
 October 14, 2021 Special Facilities Committee Meeting
 Attendance List**

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

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

