

Staff Report

TO: Board of Directors

FROM: Keane Sommers, P.E., Hydroelectric Manager

DATE: February 9, 2022

SUBJECT: South Yuba Canal/Deer Creek Powerhouse Transfer Update

HYDROELECTRIC

RECOMMENDATION:

Receive an informational presentation on the status of the transfer of the South Yuba Canal and Deer Creek Powerhouse from Pacific Gas and Electric (PG&E) to Nevada Irrigation District (NID).

BACKGROUND:

During the November 14, 2018 Board Meeting the NID Board of Directors adopted Resolution 2018-35 approving the purchase of:

- The Deer Creek Development including portions of South Yuba, Chalk Bluff Canal, Deer Creek Forebay Dam, and Deer Creek Powerhouse.
- Approximately 765 acres of land subject to a Conservation Easement Commitment to the Bear Yuba Land Trust
- Water Rights (combined 20 cfs/ pre-1914)
- Pending FERC License Application and Related Materials
- Deer Creek Easements (Encumbering PG&E's Retained Lands)

As part of Resolution 2018-35 the Board also approved a Wheeling Agreement obligating PG&E to convey NID water from the Bowman Spaulding Canal to NID.

On April 28, 2021 the NID Board of Directors Adopted Resolution 2021-12, which reaffirmed the commitment to the acquisition of the Deer Creek Assets.

Since the approval of the purchase, the transfer has been on hold pending regulatory approval. The final necessary approval from the Federal Energy Regulatory Commission (FERC) was received on November 18, 2021. During this meeting staff will provide an update on the transfer activities since that time and an

overview of the near term actions the Board will need to take in order to begin operations and maintenance of the assets.

BUDGETARY IMPACT:

2022 budget implications will be discussed during the March 9, 2022 meeting. Long term canal capital costs will be discussed second quarter of 2022.

KSS

Attachments: (1)

- South Yuba Canal / Deer Creek Powerhouse Transfer Update Presentation dated 2/9/2022

South Yuba Canal/Deer Creek Powerhouse Transfer Update



Ongoing PG&E Coordination
NID Path Forward
Job Descriptions
Staffing
Capital Equipment
Operating Budget
Power Purchase Agreement

Board of Directors Meeting
February 9, 2022

Ongoing PG&E Coordination

- PG&E to complete 2022 annual outage
- Weekly meeting to coordinate closing requirements
 - Baseline Report for Bear Yuba Land Trust
 - Small Generator Interconnect Agreement
 - Inspections/testing to verify Materially Comparable Condition scheduled for March 11-18 and annual outage
 - Escrow requirements (Title Report, Easements, Assignment & Assumption Agreement, etc.)
 - Product and Services Agreement
 - Records Transfer



NID Path Forward

- February 9, 2022 Board of Directors Meeting
 - Review and discuss
 - Job description changes
 - Staffing additions
 - Capital equipment budget
 - Operating budget
 - Power Purchase Agreement
- March 9, 2022 Board of Directors Meeting
 - Approve necessary changes
- NID expected to take over operations April 11, 2022
- Capital project discussion in Quarter 2 of 2022



Job Description Changes

- Operations & Maintenance by Hydroelectric Department Staff
- New supervisory job descriptions to Hydro
 - Supervising Mechanical/Civil Foreman
 - Maintenance Compliance Specialist
 - Supervising Operator
- New technical staff
 - Hydroelectric Compliance and Protection System Specialist
- New classifications for administrative staff
 - Administrative Analyst I/II
 - Senior Administrative Analyst



Staffing

Additions

- 1 – Supervising Mechanical/Civil Foreman
- 1 – Supervising Electrical Systems Technician
- 1 – Hydroelectric Compliance and Protection System Specialist
- 1 – Senior Hydroelectric Maintenance Technician
- 1 – Supervising Operator
- 1 – Administrative Analyst I/II
- 1 – Water System Operator

Current Deletions

- 1 – Senior Hydroelectric Systems Technician
- 1 – Management Assistant
- 0.25 – Office Assistant

Future Potential Deletions

- 1 – Hydroelectric Superintendent



Capital Equipment

- OT upgrades for SCADA and operations
 - New flume gage (YB-31A)
 - Convert existing gages from PG&E to NID
 - Microwave connection from KLOVE tower to NID Colfax
- IT upgrades for powerhouse
 - Computer
 - VOIP Phone
- Backhoe
- Meter conversion



Operating Budget

- Labor
- Monthly Interconnection Fees
- Federal/State/County Fees
- Consulting
 - Relicensing
 - CAISO Modeling
- Closing/Prepaid Fees



Power Purchase Agreement

- Currently negotiating with Northern California Power Agency
- Expecting terms similar to Combie South Powerhouse
 - Expected term: December 31, 2023
 - CAISO LMP plus renewable energy credits
 - Resource Adequacy



Questions?

