



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Exhibit C, Revision 1 to United States of America Department of Energy Western Area Power Administration Contract No. 96-SNR-00110 with the City of Lodi

MEETING DATE: December 16, 1998

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council authorize the City Manager to execute Exhibit C, Revision 1 to United States of America Department of Energy Western Area Power Administration Contract No. 96-SNR-00110 (Contract) with the City of Lodi (attached)

BACKGROUND INFORMATION: The Contract insures that the portion of funds collected from Western customers through the power billing process intended for Project power facility operation and maintenance is actually on those items. Additionally, program participants are able to work with Western to help select and prioritize tasks to be accomplished to insure optimum use of funds. Funds advanced by participating customers are subsequently credited against Western power bills resulting in no net financial impact to the City of Lodi.

The Contract has been updated by Exhibit C, Revision 1 to indicate the City of Lodi contribution for Western's FY2000: \$4,205.93. As indicated by the attached letter from the Governance Board Chair, the latest work items recommended for accomplishment have a benefit-to-cost ratio of approximately 4:1.

The attached Exhibit C reflecting the \$9,903.56 commitment shown for FY2001 and FY2002 was approved in the original contract Exhibit C by council on November 19, 1997 with Resolution 97-192. All fiscal year are federal ending September 30.

FUNDING: No net impact.

Alan N. Vallow
Electric Utility Director

PREPARED BY: Jack Stone, Manager, Business Planning and Marketing

ANV/JS/1st

C: City Attorney

APPROVED: _____

H. Dixon Flynn -- City Manager



CITY OF REDDING

ELECTRIC DEPARTMENT

760 Parkview Avenue, Redding, CA 96001-3396

P.O. Box 496071, Redding, CA 96049-6071

530.224.4300 FAX 530.224.4389

NOV 17 1998

Signatories to Contract No. 96-SNR-00110 (O&M Funding)
(See Enclosed List)

Subject: O&M Funding for FY 1999 and FY 2000

At the November 5, 1998, Governance Board meeting, the Board members approved Preliminary O&M Funding Plans (Plans) for fiscal years (FY) 1999 and 2000, contingent on sufficient funding commitment from the customers. The work items to be performed by the Bureau of Reclamation under the Plans are:

1. Trash Rake at Keswick Power Plant;
2. Clean Clear Creek Tunnel at Judge Francis Carr Power Plant; and
3. A Rapid Return to Service Element.

Details of the projects are in the enclosed FY 1999/2000 Selected Projects document. The proposed costs for FY 1999 are \$328,000 and \$619,000 for FY 2000. The benefit-to-cost ratio of the specific work items is approximately 4:1 so it is certainly in the CVP power customers best interest to participate in the FY 1999/2000 O&M Funding.

To implement these programs we need to know if your agency is prepared to commit funding for the Plans. The enclosed spreadsheet lists contributors to the FY 2001 O&M Funding Plan as well as a list showing all customers who signed the agreement. The spreadsheet includes contribution amounts for FY 1999 and 2000 Plans: (1) if only those that provided contributions for FY 2001 contribute; and (2) if all participating customers contribute. If all participating customers contribute, we will have the needed funding. It is unlikely that all will contribute, so please consider a larger contribution than reflected in the spreadsheet.

Timing is a critical element to the funding as we must have commitment by January 1, 1999. Please give this request urgent attention and advise Vicki Page, Governance Board Secretary, of your intentions by November 30, 1998. You can reach Vicki at (916) 353-4561. Vicki will follow up with each customer that does not respond. We really need your help on this.

Sincerely,

James C. Feider
Governance Board Chair

Enclosures



Department of Energy
Western Area Power Administration
Sierra Nevada Customer Service Region
114 Parkshore Drive
Folsom, California 95630-4710

DEC 2 1998

Mr. Alan N. Vallow
Electric Utility Director
City of Lodi, Electric Department
1331 South Ham Lane
Lodi, CA 95242

Dear Mr. Vallow:

Three copies of Exhibit C, Revision 1 (Individual Customer Commitment and Contribution) to Contract No. 96-SNR-00110 for the Funding of Operation and Maintenance for Central Valley Project Power Facilities are enclosed for your signature. The O&M Funding Governance Board approved Preliminary O&M Funding Plans for fiscal years (FY) 1999 and 2000, contingent on sufficient funding commitment from the customers.

A letter mailed on November 17, 1998 to each customer who signed the Agreement, explains the plans, the work items, and the benefits to the customers of funding the selected work items. The work items to be performed by the Bureau of Reclamation under the plans are:

1. Trash Rake at Keswick Powerplant;
2. Clean Clear Creek Tunnel at Judge Francis Carr Powerplant; and
3. A Rapid Return to Service Element.

A spreadsheet sent with the letter shows dollar estimates for customer participation in the funding program. An example of your Exhibit C, Revision 1, showing Section 3 completed is enclosed for information purposes only. It is unlikely that all will contribute, so please consider a larger contribution than reflected in the example.

If you wish to commit to a contribution for FY 1999 and FY 2000 and the terms of Exhibit C, Revision 1 are acceptable, please enter the dollar amount of the contribution you agree to make for FY 1999 and FY2000 in column 4 and sign and date all three signature pages of the exhibit revision. Please return all originals to Peggy Muir, N6205, at this office by January 1, 1999. If you choose not to contribute, please enter a zero in column 4 and follow the above procedure. If you have any questions, please contact Vicki Page at (916) 353-4561.

Sincerely,

A handwritten signature in cursive script that reads "Jerry W. Toenyes".

Jerry W. Toenyes
Regional Manager

2 Enclosures

Exhibit C
 (Individual Customer Commitment and Contribution)

1. This Exhibit C, Revision 1, to be effective under and as a part of Contract No. 96-SNR-00110 (hereinafter called the Agreement) shall become effective upon execution, and shall remain in effect until either superseded by a revised Exhibit C or upon termination of the Agreement.
2. The City of Lodi agrees to make a Contribution pursuant to Section 8 of the Agreement for the Fiscal Year and in the amount specified in Section 3 below. The minimum Contribution commitment level required to qualify as a Contributor pursuant to Section 5.4 of the Agreement is indicated in Column 2 of the table shown in Section 3 below.
3. Please specify the Contribution commitment level(s) in the appropriate row(s) for the applicable FY(s).

Column 1	Column 2	Column 3	Column 4	Column 5
FY	Section 5.4 Qualifying Amount in Dollars	Contribution Commitment Level Amount in Dollars	Revision No. <u>1</u> Contribution Commitment Level Amount in Dollars	Revision No. <u>0</u> Contribution Commitment Level Amount in Dollars
1999	N/A	N/A	2,000.00	
2000	N/A	N/A	4,500.00	
2001	9,903.56	9,903.56	9,903.56	
2002	9,903.56	9,903.56	9,903.56	

The signature below commits the Customer named to make Contributions, for the specified Fiscal Year(s), up to but not greater than the level indicated in the latest revision of the Contribution commitment level for a specific FY.

City of Lodi

Date of Execution: _____

By: _____

H. DIXON FLYNN

Title: CITY MANAGER

ATTEST:

Address: PO BOX 3006

ALICE M. REIMCHE
 CITY CLERK

.LODI CA 95241

Approved as to form


 City Attorney

RESOLUTION NO. 98-188

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE EXHIBIT C, REVISION 1 TO
UNITED STATES OF AMERICA DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION CONTRACT
NO. 96-SNR-00110

=====

BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to execute Exhibit C, Revision 1 to United States of America Department of Energy Western Area Power Administration Contract No. 96-SNR-00110.

Dated: December 16, 1998

=====

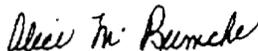
I hereby certify that Resolution No. 98-188 was passed and adopted by the Lodi City Council in a regular meeting held December 16, 1998 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Mann, Nakanishi, Pennino and
Land (Mayor)

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


ALICE M. REIMCHE
City Clerk