



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Adopt a resolution authorizing the City Manager to execute Exhibit C, Revision 7 to United States of America Department of Energy Western Area Power Administration (Western) Contract 96-SNR-00110 with the City of Lodi for the Funding of Power Operation and Maintenance for Central Valley Project Power Facilities (EUD)

**MEETING DATE:** April 21, 2004

**PREPARED BY:** Electric Utility Director

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**RECOMMENDED ACTION:** That the City Council adopt a resolution authorizing the City Manager to execute Exhibit C, Revision 7 to United States of America Department of Energy Western Area Power Administration (Western) Contract 96-SNR-00110 with the City of Lodi for the Funding of Power Operation and Maintenance for Central Valley Project Power Facilities.

**BACKGROUND INFORMATION:** As part of the annual City of Lodi Electric Utility Department's (EUD) renewal of Western Area Power Administration (Western) resources, Contract 96-SNR-00100 for the Funding of Power Operation and Maintenance for Central Valley Project Power Facilities (EUD) provides for continuation of The Western resource. The Western resource is a below market resource.

**FUNDING:** None: Within Current Power Budget

Handwritten signature of Alan N. Vallow.

Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Boris Prokop, Power Supply & Rates Manager

ANV/BP/lst

cc: City Attorney

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APPROVED:

Handwritten signature of H. Dixon Flynn.

H. Dixon Flynn, City Manager

**Exhibit C**  
 (Individual Customer Commitment and Contribution)

1. This Exhibit C, Revision 7, to be effective and as a part of Contract 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(hereinafter called the Agreement) shall become effective upon execution, and shall remain in effect until either superseded by a revised Exhibit C or upon termination of the Agreement.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 Fair-Share Funding Level as defined in Section 8.2.4.1 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 FY	Column 2 Fair-Share Amount in Dollars	Column 3 Revised Fair-Share Amount in Dollars	Column 4 Revision No. 5 Contribution Commitment Level Amount in Dollars	Column 5 Revision No. 6 Contribution Commitment Level Amount in Dollars	Column 6 Revision No. 7 Contribution Commitment Level Amount in Dollars
2004	<b>\$262,068.94</b>	\$262,068.94	\$29,758.93	\$29,758.93	\$29,758.93
2005	<b>\$234,795.42</b>	\$183,637.29	\$75,000.00	\$75,000.00	
2006	<b>\$301,738.22</b>	\$282,914.46	\$0	\$0	
2007	<b>\$323,475.82</b>	\$323,475.82	\$0	\$0	

Fair-Share Funding Level amounts and Contribution Commitment amounts, if any, are not shown for fiscal years prior to fiscal year 2004 in the above table. For that information refer to an earlier revision of Exhibit C.

The signature below commits the Customer named to make Contributions, for the specified Fiscal Years(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: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Approved as to Form

\_\_\_\_\_

FY2007  
**CUSTOMER OPERATION AND MAINTENANCE FUNDING PLAN**  
Preliminary

line #	Plan Elements	Reclamation Component	Western Component	Governance Funds	Total Customer Contributions
1	Base (O&M) Elements		\$ -		
2	Power Plants	\$ 14,200,000			
	Dams	\$ 1,400,000			
	Power Operations Division	\$ 2,100,000			
	CVACs	\$ 580,000			
3	Deferred (RAX) Elements	\$ -	\$ -		
4	Base and Deferrable Elements	\$ 18,280,000	\$ -		
5	Rapid Return to Service Element Contributions	\$ 250,000	\$ -		
6	Emergency Expenditure from Exigency Fund (5% of Base and Deferrable Elements)	\$ 914,000	\$ -		
7	<b>AGENCY ANNUAL EXPENDITURE OF CONTRIBUTIONS</b>	<b>\$ 19,444,000</b>	<b>\$ -</b>		
8	Reserve Level for Agency Annual Expenditure of Contributions (5% of Agency Annual Exp. Of Contr.)	\$ 972,200	\$ -		
9	<b>SUBTOTAL AGENCIES EXPENDITURE OF CONTRIBUTIONS (Working Funds)</b>	<b>\$ 20,416,200</b>	<b>\$ -</b>		<b>\$ 20,416,200</b>
10	Non-emergency Expenditure of Contributions (10% of respective Agency's Annual O&M Budget Funded with Appropriations)	\$ -	\$ -		
11	Non-Emergency Expenditure from the Exigency Fund	\$ 11,000,000		\$ 100,000	
11a	Western O&M		\$ 6,139,000		
12	Bank Fees			\$ 60,000	
13	Program Treasurer Fees			\$ 16,000	
14	<b>SUBTOTAL CONTRIBUTIONS FOR GOVERNANCE FUNDS</b>	<b>\$ 11,000,000</b>	<b>\$ 6,139,000</b>	<b>\$ 176,000</b>	<b>\$ 17,315,000</b>
15	<b>Totals</b>	<b>\$ 31,416,200</b>	<b>\$ 6,139,000</b>	<b>\$ 176,000</b>	<b>\$ 37,731,200</b>
16	Contributions Reprogramming Threshold (15% of Agency Annual Exp. Of Contr.)	\$2,916,600	\$0		
17	CIP Threshold per Item (recommended TC 1/4/99)	\$135,000	\$135,000		
18	25% of Agency Annual Expenditure of Contributions shall be available for Agency's expenditure as of Oct 1 of the FY	\$4,861,000			

**FY2006**  
**CUSTOMER OPERATION AND MAINTENANCE FUNDING PLAN**  
**As Approved on Resolution 04-03**

line #	Plan Elements	Reclamation Component	Western Component	Governance Funds	Total Customer Contributions
1	Base (O&M) Elements		\$ -		
2	Power Plants	\$ 13,757,000			
	Dams	\$ 1,242,000			
	Power Operations Division (excludes Wheeling and Power Purchases of \$6,000,000)	\$ 2,105,000			
3	Deferred (RAX) Elements (Shasta Runners 1 & 2 and Shasta Main Bus Replacement)	\$ 2,000,000	\$ -		
4	<b>Base and Deferrable Elements</b>	<b>\$ 19,104,000</b>	<b>\$ -</b>		
5	Rapid Return to Service Element Contributions	\$ 250,000	\$ -		
6	Emergency Expenditure from Exigency Fund (5% of Base and Deferrable Elements)	\$ 955,200	\$ -		
7	<b>AGENCY ANNUAL EXPENDITURE OF CONTRIBUTIONS</b>	<b>\$ 20,309,200</b>	<b>\$ -</b>		
8	Reserve Level for Agency Annual Expenditure of Contributions (5% of Agency Annual Exp. Of Contr.)	\$ 1,015,460	\$ -		
9	<b>SUBTOTAL AGENCIES EXPENDITURE OF CONTRIBUTIONS (Working Funds)</b>	<b>\$ 21,324,660</b>	<b>\$ -</b>		<b>\$ 21,324,660</b>
10	Non-emergency Expenditure of Contributions (10% of respective Agency's Annual O&M Budget Funded with Appropriations)	\$ -	\$ -		
11	Non-Emergency Expenditure from the Exigency Fund	\$ 5,752,340			
11a	Western O&M		\$ 5,847,000		
12	Bank Fees			\$ 60,000	
13	Program Treasurer Fees			\$ 16,000	
14	<b>SUBTOTAL CONTRIBUTIONS FOR GOVERNANCE FUNDS</b>	<b>\$ 5,752,340</b>	<b>\$ 5,847,000</b>	<b>\$ 76,000</b>	<b>\$ 11,675,340</b>
15	<b>Totals</b>	<b>\$ 27,077,000</b>	<b>\$ 5,847,000</b>	<b>\$ 76,000</b>	<b>\$ 33,000,000</b>
16	Contributions Reprogramming Threshold (15% of Agency Annual Exp. Of Contr.)	\$3,046,380	\$0		
17	CIP Threshold per Item (recommended TC 1/4/99)	\$135,000	\$135,000		
18	25% of Agency Annual Expenditure of Contributions shall be available for Agency's expenditure as of Oct 1 of the FY	\$5,077,300			

Customer Contributions for FY05, FY06, and FY07  
3/10/2004

Contributors	3/31/2003	Revised	Revised	FY2005	FY2005	Revised	Revised	FY2006	FY2006	FY2006	FY2006	FY2007	FY2007
Group a - Municipalities	CRD	FY2005	FY2005	Exh C Rev 6	Exh C Rev 6	FY2006	FY2006	Exh C Rev 6	Exh C Rev 6	Exh C Rev 6	Exh C Rev 6	Exh C Rev 7	Exh C Rev 7
Municipalities	For FY05-07	Fair Share	1/12 Share		O/U Fair Share	Fair Share	1/12 Share		O/U Fair Share	Fair Share	1/12 Share	O/U Fair Share	O/U Fair Share
Alameda	16,040	\$ 311,730.57	\$ 47,863.76	\$ 400,000.00	\$ 88,269.43	\$ 480,256.95	\$ 47,800.24	\$ 400,000.00	(\$80,256.95)	\$ 549,111.24	\$ 52,017.75		(\$549,111.24)
Biggs	4,200	\$ 81,825.21	\$ 12,532.91	\$ 104,364.57	\$ 22,739.36	\$ 125,753.07	\$ 12,516.27	\$ 134,120.07	\$ 8,367.00	\$ 143,782.25	\$ 13,620.61		(\$143,782.25)
Gridley	9,400	\$ 182,684.99	\$ 28,049.84	\$ 233,577.84	\$ 50,892.85	\$ 281,447.34	\$ 28,012.61	\$ 300,173.48	\$ 18,726.14	\$ 321,798.36	\$ 30,484.22		(\$321,798.36)
Healdsburg	2,419	\$ 47,012.23	\$ 7,218.36	\$ 60,109.12	\$ 13,096.89	\$ 72,427.78	\$ 7,208.78	\$ 77,246.77	\$ 4,618.99	\$ 82,811.73	\$ 7,844.82		(\$82,811.73)
Lodi	9,449	\$ 183,637.29	\$ 28,196.05	\$ 75,000.00	(\$108,637.29)	\$ 282,914.46	\$ 28,158.63	\$ -	(\$282,914.46)	\$ 323,475.82	\$ 30,643.13		(\$323,475.82)
Lompoc	3,715	\$ 72,199.44	\$ 11,085.65	\$ 92,312.94	\$ 20,113.50	\$ 111,231.58	\$ 11,070.94	\$ 11,085.65	(\$100,145.93)	\$ 127,178.82	\$ 12,047.75		(\$127,178.82)
Palo Alto	175,000	\$ 3,401,050.44	\$ 522,204.39	\$ 4,400,000.00	\$ 998,949.56	\$ 5,239,711.11	\$ 521,511.34	\$ 5,600,000.00	\$ 360,288.89	\$ 5,990,926.91	\$ 567,525.33		(\$5,990,926.91)
Redding	116,000	\$ 2,254,410.58	\$ 346,146.91	\$ 2,882,449.92	\$ 628,039.34	\$ 3,473,179.94	\$ 345,687.52	\$ 3,704,268.49	\$ 231,088.55	\$ 3,971,128.69	\$ 376,188.22		(\$3,971,128.69)
Roseville	69,000	\$ 1,340,985.60	\$ 205,897.73	\$ 1,714,560.73	\$ 373,575.13	\$ 2,065,943.24	\$ 205,624.47	\$ 2,203,401.09	\$ 137,457.85	\$ 2,362,136.89	\$ 223,767.13		(\$2,362,136.89)
Santa Clara(SiliconValley)	136,532	\$ 2,653,441.25	\$ 407,414.91	\$ 3,392,643.55	\$ 739,202.30	\$ 4,087,932.79	\$ 406,874.21	\$ 4,359,924.01	\$ 271,991.22	\$ 4,674,018.47	\$ 442,773.54		(\$4,674,018.47)
Shasta Lake	11,450	\$ 222,525.87	\$ 34,167.09	\$ 284,517.69	\$ 61,991.82	\$ 342,826.81	\$ 34,121.74	\$ 365,636.85	\$ 22,810.04	\$ 391,977.79	\$ 37,132.37		(\$391,977.79)
Ukiah	6,962	\$ 135,303.50	\$ 20,774.78	\$ 14,416.39	(\$120,887.11)	\$ 208,450.68	\$ 20,747.21	\$ -	(\$208,450.68)	\$ 238,336.19	\$ 22,577.78		(\$238,336.19)
<b>Public Utility Districts</b>													
Lassen	3,000	\$ 58,303.72	\$ 8,952.08	\$ 100,000.00	\$ 41,696.28	\$ 89,823.62	\$ 8,940.19	\$ 100,000.00	\$ 10,176.38	\$ 102,701.60	\$ 9,729.01		(\$102,701.60)
SMUD	361,000	\$ 7,015,881.19	\$ 1,077,233.05	\$ 4,000,000.00	(\$3,015,881.19)	\$ 10,808,775.50	\$ 1,075,803.40	\$ 11,600,000.00	\$ 791,224.50	\$ 12,358,426.36	\$ 1,170,723.69		(\$12,358,426.36)
Turlock	3,119	\$ 60,616.44	\$ 9,307.17	\$ 77,503.11	\$ 16,886.67	\$ 93,386.62	\$ 9,294.82	\$ 99,600.12	\$ 6,213.50	\$ 106,775.43	\$ 10,114.92		(\$106,775.43)
<b>Rural Electric Coop</b>													
Plumas Sierra	25,000	\$ 485,864.35	\$ 74,600.63	\$ 621,217.65	\$ 135,353.30	\$ 748,530.16	\$ 74,501.62	\$ 798,333.73	\$ 49,803.57	\$ 855,846.70	\$ 81,075.05		(\$855,846.70)
<b>Group b</b>													
<b>NASA</b>													
Ames Research	80,000	\$ 1,554,765.91	\$ 238,722.01	\$ 1,987,896.49	\$ 433,130.58	\$ 2,395,296.51	\$ 238,405.19	\$ 2,554,667.92	\$ 159,371.41	\$ 2,738,709.44	\$ 259,440.15		(\$2,738,709.44)
Moffett	5,009	\$ 97,347.78	\$ 14,946.98	\$ 124,467.17	\$ 27,119.39	\$ 149,975.50	\$ 14,927.14	\$ 159,954.15	\$ 9,978.65	\$ 171,477.45	\$ 16,244.20		(\$171,477.45)
State													
CSU - Nimbus	0,100	\$ 1,943.46	\$ 298.40	\$ 224.83	(\$1,718.63)	\$ 2,994.12	\$ 298.01	\$ 224.83	(\$2,769.29)	\$ 3,423.39	\$ 324.30		(\$3,423.39)
BART	4,000	\$ 77,738.30	\$ 11,936.10	\$ 99,394.82	\$ 21,656.52	\$ 119,764.83	\$ 11,920.26	\$ 127,733.40	\$ 7,968.57	\$ 136,935.47	\$ 12,972.01		(\$136,935.47)
<b>Group c - Irrigation &amp; Water Districts</b>													
Arvin-Edison	30,000	\$ 583,037.22	\$ 89,520.75	\$ 745,461.19	\$ 162,423.97	\$ 898,236.19	\$ 89,401.94	\$ 958,000.47	\$ 59,764.28	\$ 1,027,016.04	\$ 97,290.06		(\$1,027,016.04)
Banta-Carbona	3,700	\$ 71,907.92	\$ 11,040.89	\$ -	(\$71,907.92)	\$ 110,782.46	\$ 11,026.24	\$ -	(\$110,782.46)	\$ 126,665.31	\$ 11,999.11		(\$126,665.31)
Bryon-Bethany	2,200	\$ 42,756.06	\$ 6,564.86	\$ 10,000.00	(\$32,756.06)	\$ 65,870.65	\$ 6,556.14	\$ 10,000.00	(\$55,870.65)	\$ 75,314.51	\$ 7,134.60		(\$75,314.51)
Eastside Power Authority	3,792	\$ 73,695.90	\$ 11,315.42	\$ 9,742.76	(\$63,953.14)	\$ 113,537.05	\$ 11,300.41	\$ 11,300.41	(\$102,236.64)	\$ 129,814.83	\$ 12,297.46		(\$129,814.83)
San Juan	1,000	\$ 19,434.57	\$ 2,984.03	\$ 2,569.29	(\$16,865.28)	\$ 29,941.21	\$ 2,980.06	\$ -	(\$29,941.21)	\$ 34,233.87	\$ 3,243.00		(\$34,233.87)
Santa Clara Valley	0,823	\$ 15,994.65	\$ 2,455.85	\$ 2,114.53	(\$13,880.12)	\$ 24,641.61	\$ 2,452.59	\$ 2,452.59	(\$22,189.02)	\$ 28,174.47	\$ 2,668.99		(\$28,174.47)
Sonoma County	1,500	\$ 29,151.86	\$ 4,476.04	\$ 37,273.06	\$ 8,121.20	\$ 44,911.81	\$ 4,470.10	\$ 47,900.02	\$ 2,988.21	\$ 51,350.80	\$ 4,864.50		(\$51,350.80)
<b>Group d</b>													
Trinity County	17,750	\$ 344,963.69	\$ 52,966.45	\$ 500,000.00	\$ 155,036.31	\$ 531,458.41	\$ 52,898.15	\$ 500,000.00	(\$31,458.41)	\$ 607,651.16	\$ 57,563.28		(\$607,651.16)
<b>Total*</b>	1102,160	\$ 21,420,010.00	\$ 3,288,873.07	\$ 21,971,817.65	\$ 551,807.65	\$ 33,000,000.00	\$ 3,284,508.25	\$ 34,128,024.05	\$ 1,126,024.05	\$ 37,731,200.00	\$ 3,574,306.98		(\$37,731,200.00)

\*Does not include 6MW-Alameda NDA & 80MW Other for Silicon Valley

Year	Total		Less		1/12	
	O&M Expense	Project Use	Total	1/12-All	Contributors	
Revised 2005	62,780,226	12,119,000	50,661,226	4,221,768.83	\$ 3,288,873.07	
Revised 2006	62,712,991	12,119,000	50,593,991	4,216,165.92	\$ 3,284,508.25	
2007	67,177,000	12,119,000	55,058,000	4,588,166.67	\$ 3,574,306.98	

  

Year	Proposed			Fees		
	O&M Expense	Reserve	GV-Exigency	PT&Bank	Total Program	
Revised 2005	20,859,801	484,209	0	76,000	21,420,010	
Revised 2006	26,156,200	1,015,460	5,752,340	76,000	33,000,000	
2007	25,583,000	972,200	11,100,000	76,000	37,731,200	

RESOLUTION NO. 2004-71

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE CITY MANAGER TO EXECUTE EXHIBIT C, REVISION 7, TO  
THE UNITED STATES OF AMERICA DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION CONTRACT  
NO. 96-SNR-00110 ON BEHALF OF THE CITY OF LODI

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BE IT RESOLVED by the City Council of the City of Lodi that Exhibit C, Revision 7, to the United States of America Department of Energy Western Area Power Administration Contract No. 96-SNR-00110 is approved, and the City Manager is hereby authorized and directed to execute and deliver such agreement on behalf of the City of Lodi.

Dated: April 21, 2004

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I hereby certify that Resolution No. 2004-71 was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 21, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hitchcock, Howard, Land, and Mayor Hansen

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON  
City Clerk