



**CITY OF LODI
COUNCIL COMMUNICATION**

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AGENDA TITLE: Adopt resolution authorizing the City Manager to enter into a Letter of Agreement between the City of Lodi and Northern California Power Agency (NCPA) for developing a wholesale electric delivery interconnection location at the White Slough Water Pollution Control Facility not to exceed \$70,000 (EUD)

MEETING DATE: August 18, 2004

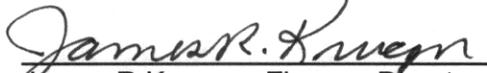
PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to enter into a Letter of Agreement between the City of Lodi and Northern California Power Agency (NCPA) for developing a wholesale electric delivery interconnect location at the White Slough Water Pollution Control Facility not to exceed \$70,000.

BACKGROUND INFORMATION: Currently, the White Slough Water Pollution Control Facility (WSWPCF) is undergoing various capital improvements. The improvements will significantly increase the Plant's electrical load. The Plant is served by two electric sources: one for normal operation and one for backup/emergency situations both of which are owned by PG&E. The cost to increase capacity of the two sources plus the ongoing energy delivery, maintenance and standby capacity charges is not cost effective when compared to other options.

This interconnection of Lodi's distribution system to NCPA's STIG will provide initially the required electrical capacity to serve the Plant's electrical needs. The final electric source design will include two utility sources this interconnection and the development of a primary utility distribution source. This alternative compared to upgrading existing PG&E facilities is cost effective, provides better reliability and increased capacity for future Plant loads and insures timely service restoration utilizing the City's Electric Line Crews.

FUNDING: 161652.1825.1700 Electric Utility System Improvement Fund

Funding Approval: 
James R Krueger, Finance Director


Alan N. Vallow
Electric Utility Director

PREPARED BY: Mel Grandi, Manager, Electric Systems
ANV/MG/mdw
cc: City Attorney

APPROVED: 
Janet S. Keeter, Interim City Manager

LETTER OF AGREEMENT FOR SERVICES BETWEEN
THE CITY OF LODI
AND
THE NORTHERN CALIFORNIA POWER AGENCY

The preamble of the Member Service Agreement states that, from time to time, the Northern California Power Agency (NCPA) may provide services relating to the supply of wholesale electric power and energy to one or more of the Members upon their request. This Letter of Agreement (LOA) between a member of NCPA, the City of Lodi ("Lodi"), and NCPA acknowledges such a request for service.

NCPA agrees to provide assistance to Lodi as detailed in Appendix A attached hereto. NCPA warrants that all work will be completed in a timely manner and on a best effort basis. NCPA and Lodi agree that Lodi may terminate this Agreement prior to completion of the tasks described in Appendix A, at any time, upon five days written notice to NCPA. Lodi agrees to allow access to those records that NCPA deems necessary for successful completion of all tasks. When the tasks specified in Appendix A are completed, NCPA and Lodi will jointly review and approve the results upon which NCPA will be released from further responsibility to perform the task. NCPA and Lodi mutually agree that Lodi shall assume any and all responsibility for costs or penalties that may arise from Lodi's use of the work, or any part of the work done by NCPA for Lodi pursuant to the terms of this Letter Agreement, and Lodi shall hold NCPA, its officers, employees, agents and assigns harmless from the consequences of such use.

NCPA agrees to provide a monthly invoice for services provided under this LOA, and Lodi agrees to pay each invoice from NCPA within fifteen (15) days of the due date. Payments not made within 30 days following the bill date shall bear interest at the prime rate of the Bank of America, NT & SA then in effect, plus two percent per annum until paid. The total compensation for the costs incurred and the services to be performed under this LOA shall not exceed \$70,000 without the further written agreement of the parties. Compensation for services performed by NCPA staff under this LOA shall be billed in accordance with Appendix B, also attached hereto. Compensation for services performed by third party entities shall be passed through to Lodi as billed to NCPA.

IN WITNESS HEREOF, the parties hereto have entered into this Letter of Agreement dated August ____, 2004.

NCPA

By: _____

Title: _____

CITY OF LODI

By: _____

Janet S. Keeter
Interim City Manager

ATTEST:

Susan Blackston, City Clerk

APPROVED AS TO FORM:

D. Stephen Schwabauer
City Attorney

APPENDIX A

CITY OF LODI - NCPA STIG (CT2 Project) INTERCONNECTION STUDY

A Letter of Agreement (LOA) between NCPA and The City of Lodi ("Lodi") has been established to provide services from NCPA to Lodi regarding an assessment of the requirements for Lodi to interconnect its electric distribution system to receive wholesale electric energy from the NCPA STIG electrical system. These services include the following:

- (1) Obtain Power Engineers Inc, to perform professional engineering analysis and scope of work detailing the interconnection facilities required to serve Lodi's wastewater treatment plant from the current electrical system associated with NCPA's STIG generation facility in Lodi.
- (2) Obtain necessary and appropriate legal counsel regarding the regulatory and contractual requirements/issues associated with interconnecting Lodi's electric distribution system to the STIG generation facility's electrical system.
- (3) Initiate a competitive bidding process on behalf of Lodi for any interconnection work that NCPA or Lodi will not perform with their own forces.
- (4) Prepare the necessary interconnection agreement between Lodi and NCPA, and obtain all necessary approvals and endorsements from the owners of the STIG (or their authorized representatives).
- (5) Purchase equipment and supplies necessary to establish the interconnection.
- (6) Provide other consulting services related to this matter as requested and directed by Lodi.

APPENDIX B

CITY OF LODI WASTEWATER TREATMENT PLANT
INTERCONNECTION STUDY

COMPENSATION RATES FOR NCPA STAFF*

AGMs	\$135 -150
Managers	120 - 140
Coordinators – Supervisors	90 - 120
Resource Planners & Resource Schedulers	95 - 100
Engineers	50 - 100
Technicians	50 - 75
Administrative Assistants	40 - 50
Student Assistants	20 - 25

* Staff rates are the sum of direct and indirect costs as per NCPA budget

RESOLUTION NO. 2004-167

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO ENTER INTO A LETTER OF AGREEMENT
BETWEEN THE CITY OF LODI AND NORTHERN CALIFORNIA POWER
AGENCY (NCPA) FOR DEVELOPING A WHOLESALE ELECTRIC
DELIVERY INTERCONNECT LOCATION AT THE WHITE SLOUGH
WATER POLLUTION CONTROL FACILITY

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to enter into a Letter of Agreement between the City of Lodi and Northern California Power Agency (NCPA) for developing a wholesale electric delivery interconnection location at the White Slough Water Pollution Control Facility, in an amount not to exceed \$70,000.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute said agreement on behalf of the City of Lodi.

Dated: August 18, 2004

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I hereby certify that Resolution No. 2004-167 was passed and adopted by the Lodi City Council in a regular meeting held August 18, 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