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CITY COUNCIL MEETING

March 17, 1982

ORDINANCE AUTHORIZ-
ING THE ISSUANCE OF
REFUNDING BONDS BY
NORTHERN CALIFORNIA
POWER AGENCY (RFL
GEOTHERMAL PROJECT)

ORD. NO. 1255 INTRO-
DUCED

Following introduction of the matter by City Manager
Glaves, and Council discussion, Council, on motion
of Councilman Katnich, Hughes second, introduced
Ordinance No. 1255 - Ordinance of the City Council
of the City of Lodi Authorizing the Issuance of
Refunding Bonds by the Northern California Power
Agency (RFL Geothermal Project). The motion
carried by unanimous vote.

Northern California Power Agency

ROBERT E. GRIMSHAW
General Manager

March 5, 1982

TO: Members of the NCPA Commission
FROM: Gail Sipple
SUBJECT: RFL Project - Refunding Bonds Ordinance

Pursuant to Commission action on February 26, 1982, enclosed is a copy of an Ordinance Authorizing the Issuance of Refunding Bonds by the Northern California Power Agency for the RFL Project, which must be approved by your governing body. Also enclosed is the Notice of Ordinance Subject to Referendum (Notice of Adoption) for your use.

Upon adoption of this ordinance, please return to me:

1. An executed copy of the ordinance.
2. Proof of publication of the ordinance (if required by your city).
3. Proof of publication of the Notice of Ordinance Subject to Referendum.
4. A certified copy of your minutes adopting the ordinance.

By copy of this letter I am also forwarding these documents to your City Clerk for processing.

If you have any questions, please contact me.

Yours truly,


GAIL SIPPLE
Executive Assistant

cc: City Clerk ✓
Brian Quint, Mudge Rose
Martin McDonough

ORDINANCE NO. _____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF _____
AUTHORIZING THE ISSUANCE OF REFUNDING BONDS BY THE
NORTHERN CALIFORNIA POWER AGENCY (RFL GEOTHERMAL
PROJECT).

WHEREAS, pursuant to the provisions of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended (the "Joint Powers Act"), the City of _____ and certain other public agencies created pursuant to the laws of the State of California (collectively, the "Members"), have entered into a Joint Powers Agreement, as amended (the "Agreement"), creating the Northern California Power Agency (the "Agency"), a public entity separate and apart from the Members; and

WHEREAS, in accordance with the Agreement and the Joint Powers Act, the Agency and certain of the Members (hereinafter called the "Participating Members") have entered into the NCPA Member Agreement for Participation in Electric Power Development Fund (the "Development Fund Agreement"), dated July 1, 1975, revised May 1, 1978 and amended April 26, 1979, wherein each Participating Member has agreed to make payments from its electric department revenues, except Plumas-Sierra Rural Electric Cooperative which shall pay from any available funds, for certain Development Costs (as defined in the Development Fund Agreement), incurred by the Agency in developing a revenue-producing system for the generation, production and transmission of electric energy for lighting, heating and power for public and private uses; and

WHEREAS, the Agency has caused the Northern California Municipal Power Corporation No. 1 (the "NCMPC No. 1"), a California not for profit corporation to be formed to act on behalf of the Agency to finance, among other things, interim development costs relating to a geothermal power plant in Lake County, California, the output of which plant was to be furnished to the Agency by the NCMPC No. 1; and

WHEREAS, pursuant to a Loan Agreement (the "Loan Agreement") dated as of June 29, 1979 with the Bank of Montreal (California) (the "BOM"), the NCMPC No. 1 could borrow at any one time not exceeding \$2,335,000 (the "BOM Loan"), of which, as of March 1, 1982, approximately \$1,635,500 remained unpaid, on a taxable basis, primarily to pay interim development costs for said power plant; and

WHEREAS, in order to secure the BOM Loan, the Agency assigned its rights to receive certain payments under the Development Fund Agreement to the BOM pursuant to a Security Agreement, dated as of June 29, 1979 (the "Security Agreement") between the Agency and the BOM, and granted a present and future first security interest in and assigned to the BOM the rights to such payments; and

WHEREAS, pursuant to Section 6576 of the Joint Powers Act, the Agency may provide for the issuance and sale of refunding bonds for the purpose of redeeming or retiring any revenue bonds or other evidence of indebtedness incurred by it; and

WHEREAS, the Agency proposes to issue not exceeding \$3,000,000 principal amount of its bonds (the "Bonds") for the purpose of retiring its indebtedness to the BOM under the Security Agreement so as to provide for the payment of the indebtedness of the NCMPC No. 1 under the BOM Loan; and

WHEREAS, the anticipated sources of revenue or other funds to pay the principal of and interest on the Bonds are payments of the Participating Members under the Development Fund Agreement; and

WHEREAS, in accordance with the Joint Powers Act, the exercise by the Agency of its power to issue the Bonds is subject to the authorization of such issuance by the Members pursuant to ordinance; and

WHEREAS, neither the payment of principal of the Bonds nor any part thereof nor interest thereon shall constitute a debt, liability or obligation of the City of _____;

NOW, THEREFORE, the City Council of the City of _____ does ordain as follows:

1. The issuance and sale by the Agency of the Bonds is hereby authorized. The proceeds from the sale of the Bonds hereby authorized are to be used to retire the indebtedness of the Agency to the BOM under the Security Agreement so as to provide for the payment of the BOM Loan. The Bonds, premium, if any, and interest thereon are to be payable from payments of Participating Members under the Development Fund Agreement.

2. Pursuant to Section 6547 of the Joint Powers Act, this ordinance is subject to the provisions for referendum prescribed by Section 3751.7 of the Elections Code of the State of California.

The City Clerk shall certify to the enactment of this ordinance and shall cause notice of the same to be published in accordance with Section 6040.1 of the Government Code of the State of California.

3. Sixty (60) days from and after its enactment, this ordinance shall take effect and be in full force, in the manner provided by law.

THE FOREGOING ORDINANCE is approved, enacted and adopted by the City Council of the City of _____, this _____ day of _____, 1982.

ATTEST:

NOTICE OF ORDINANCE SUBJECT TO REFERENDUM
CITY OF _____
ORDINANCE NO. _____
ADOPTED BY THE CITY COUNCIL OF THE CITY OF _____
ON _____, 1982

Notice is hereby given as required by Section 6040.1 of the Government Code of the State of California that at a regular meeting of the City Council of the City of _____ (the "City Council"), held on _____, 1982, Ordinance No. _____ (the "Ordinance") was adopted. The title and a summary of the Ordinance are set forth below. The Ordinance is subject to the provisions for referendum prescribed by Section 3751.7 of the Elections Code of the State of California and shall not take effect for 60 days from the date of adoption, as discussed below.

Title

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF _____
AUTHORIZING THE ISSUANCE OF REFUNDING BONDS BY
NORTHERN CALIFORNIA POWER AGENCY (RFL GEOTHERMAL PROJECT).

Summary

Pursuant to the Ordinance, the City Council has authorized the issuance and sale by Northern California Power Agency (the "Agency") of its bonds (the "Bonds"), to mature not later than 30 years from the date of issue, to be issued in an aggregate principal amount of not exceeding \$3,000,000 and to bear interest at a probable overall rate of not exceeding 12% per annum. The actual interest rate on the Bonds or the method of determining such rate will be determined by the Commission of the Agency in accordance with law at the time of issuance of the Bonds.

Council Member _____, _____ and _____
voted in favor of the Ordinance. Council Member _____
and _____ voted against the Ordinance.

The Agency was created pursuant to a Joint Powers Agreement, as amended (the "Agreement"), heretofore entered into between the City of _____ and certain other public agencies created pursuant to the laws of the State of California (collectively, the "Members") pursuant to the provisions of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended (the "Joint Powers Act"). The Agency is a public entity separate and apart from the Members. In accordance with the Joint Powers Act and the Agreement, the Agency and certain of the Members (the "Participating Members") have entered into the NCPA Member

Agreement for Participation in Electric Power Development Fund (the "Development Fund Agreement"), dated July 1, 1975, revised May 1, 1978 and amended April 26, 1979, wherein each Participating Member has agreed to make payments from its electric department revenues, except Plumas-Sierra Rural Electric Cooperative which shall pay from any available funds, for certain Development Costs (as defined in the Development Fund Agreement), incurred by the Agency in developing a revenue-producing system for the generation, production and transmission of electric energy for lighting, heating and power for public and private uses. The Agency has caused the Northern California Municipal Power Corporation No. 1 (the "NCMPC No. 1"), a California not for profit corporation, to be formed to act on behalf of the Agency to finance, among other things, interim development costs relating to a geothermal power plant in Lake County, California, the output of which plant was to be furnished to the Agency by the NCMPC No. 1. Pursuant to a Loan Agreement (the "Loan Agreement") dated as of June 29, 1979 with the Bank of Montreal (California) (the "BOM"), the NCMPC No. 1 could borrow at any one time not exceeding \$2,335,000 (the "BOM Loan"), of which, as of March 1, 1982, approximately \$1,635,500 remained unpaid, on a taxable basis, primarily to pay interim development costs for said power plant. In order to secure the BOM Loan, the Agency assigned its rights to receive certain payments under the Development Fund Agreement to the BOM pursuant to a Security Agreement, dated as of June 29, 1979 (the "Security Agreement") between the Agency and the BOM, and granted a present and future first security interest in and assigned to the BOM the rights to such payments. Pursuant to Section 6576 of the Joint Powers Act, the Agency may provide for the issuance and sale of bonds for the purpose of redeeming or retiring any revenue bonds or other evidence of indebtedness incurred by it.

Neither the payment of principal of the Bonds nor any part thereof nor interest thereon will constitute a debt, liability or obligation of the City of _____.

THE AGENCY PROPOSES TO ISSUE, IN ACCORDANCE WITH THE AGREEMENT AND THE JOINT POWERS ACT, ITS BONDS TO PROVIDE FUNDS FOR THE PURPOSE OF RETIRING ITS INDEBTEDNESS TO THE BOM UNDER THE SECURITY AGREEMENT SO AS TO PROVIDE FOR THE PAYMENT OF THE INDEBTEDNESS OF THE NCMPC NO. 1 UNDER THE BOM LOAN. THE BONDS ARE TO BE PAYABLE FROM PAYMENTS OF THE PARTICIPATING MEMBERS UNDER THE DEVELOPMENT FUND AGREEMENT.

THE ORDINANCE AUTHORIZING THE ISSUANCE OF THE BONDS IS SUBJECT TO REFERENDUM. UPON PRESENTATION (WITHIN THE TIME PERIOD SPECIFIED BY LAW) OF A PETITION (BEARING

SIGNATURES, IN AT LEAST THE NUMBER REQUIRED BY THE LAW) PROTESTING AGAINST THE ADOPTION OF THE ORDINANCE, THE CITY COUNCIL IS REQUIRED TO RECONSIDER THE ORDINANCE. THEREUPON, IF THE CITY COUNCIL DOES NOT ENTIRELY REPEAL THE ORDINANCE, THE ORDINANCE SHALL BE SUBMITTED (UNDER BALLOT WORDING PRESCRIBED BY LAW) TO THE VOTERS AT A REGULAR OR SPECIAL ELECTION AND THE ORDINANCE SHALL NOT BECOME EFFECTIVE UNTIL A MAJORITY OF THE VOTERS VOTING ON THE ORDINANCE VOTE IN FAVOR OF IT. THE FOREGOING DESCRIPTION OF THE PROCEDURES FOR REFERENDUM IS BASED UPON THE APPLICABLE REFERENDUM PROVISIONS OF THE CALIFORNIA ELECTIONS CODE AND THE CALIFORNIA GOVERNMENT CODE. REFERENCE IS MADE TO THE CALIFORNIA ELECTIONS CODE AND THE CALIFORNIA GOVERNMENT CODE FOR A COMPLETE STATEMENT OF SUCH PROVISIONS.