

APPROVAL OF PROJECT  
AGREEMENT OF  
TRANSMISSION AGENCY  
OF NORTHERN CALIFORNIA  
TO SECURE FUNDING FOR  
CERTAIN COSTS OF CALIFORNIA -  
OREGON TRANSMISSION PROJECT

RESOLUTION NO. 85-68

City Manager Peterson presented for Council approval Project Agreement of Transmission Agency of Northern California to Secure Funding for Certain Costs of California - Oregon Transmission Project, which provides for the issuance and sale

The Agreement provides that none of the TANC members (which includes the City of Lodi) are responsible for the repayment of this note.

The note, to be bought by Prudential-Bache, will ultimately be repaid via a refinancing as the project moves ahead. Assuming successful financing of the project itself, the City will ultimately share in the construction costs.

The California - Oregon Transmission Project is a proposed 300+ mile, 500 KV transmission line between southern Oregon and central California. Contractual arrangements will also provide for the transmission of power between central and southern California. The project will allow for the transmission of 1,600 MW of power between these two areas, an amount that could serve the needs of approximately 1.6 million people. The project presently includes nearly all of the major electric utilities in California as participants. Both publicly-owned and investor-owned utilities are represented and have worked out complicated arrangements to share the project capability and to operate the project on a coordinated basis with other transmission lines.

Discussion followed with questions being directed to Staff.

On motion of Mayor Pro Tempore Reid, Olson second, Council adopted Resolution No. 85-68 approving Project Agreement Transmission Agency of Northern California to secure funding for certain costs of California - Oregon Transmission Project, and authorized the Mayor and City Clerk to execute the subject document on behalf of the City. The motion carried by the following vote:

AYES: Council Members - Olson, Reid, Snider,  
and Hinchman (Mayor)

NOES: Council Members - Pinkerton

ABSENT: Council Members - None

# COUNCIL COMMUNICATION

TO: THE CITY COUNCIL	DATE	NO.
FROM: THE CITY MANAGER'S OFFICE	June 13, 1985	
SUBJECT: TRANSMISSION AGENCY OF NORTHERN CALIFORNIA (TANC) LOAN OF \$3.5 MILLION DOLLARS		

RECOMMENDED ACTION:

That the City Council approve the issuance and sale by the Transmission Agency of Northern California (TANC) of a promissory note in the amount of \$3.5 million dollars at 5.6% interest.

BACKGROUND INFORMATION: Attached (Exhibit "A") is a copy of the Agreement which provides for the issuance and sale by TANC of a promissory note in the amount of \$3.5 million dollars. The funds to be realized via the sale of the note will be used to finance studies, acquire options and permits and to cover other preliminary costs to be incurred prior to the start of construction of California-Oregon Transmission Project. Work on the project is proceeding on schedule, with completion targeted for 1990.

The Agreement provides that none of the TANC members (which includes the City of Lodi) is responsible for the repayment of this note. In fact, the note itself will bear the following language:

"....neither the payment of the principal or any part thereof nor any interest thereon constitutes a debt, liability or obligation of any of the public agencies who are parties to the agreement creating such entity."

The note to be bought by Prudential-Bache, will ultimately be repaid via a refinancing as the project moves ahead. Assuming successful financing of the project itself, the City will ultimately share in the construction cost.

The California-Oregon Transmission Project is a proposed 300+ mile, 500 KV transmission line between southern Oregon and central California. Contractual arrangements will also provide for the transmission of power between central and southern California. The project will allow for the transmission of 1,600 MW of power between these two areas, an amount that could serve the needs of approximately 1.6 million people. The project presently includes nearly all of the major electric utilities in California as participants. Both publicly-owned and investor-owned utilities are represented and have worked out complicated arrangements to share the project capability and to operate the project on a coordinated basis with other transmission lines.

The project participants are:

The Transmission Agency of Northern California, representing:

The City of Alameda  
The City of Biggs  
The City of Gridley  
The City of Healdsburg  
The City of Lodi  
The City of Lompoc  
The City of Palo Alto  
The City of Redding  
The City of Roseville  
The City of Santa Clara  
The City of Ukiah  
The Modesto Irrigation District  
The Turlock Irrigation District  
The Sacramento Municipal Utility District  
The Plumas-Sierra Rural Electric Cooperative

The Southern California Cities of Anaheim, Azusa, Banning,  
Colton, Riverside and Vernon

The Pacific Gas and Electric Company  
The Southern California Edison Company  
The San Diego Gas and Electric Company

The California Department of Water Resources  
The Western Area Power Administration, U. S. Department of  
Energy  
The Los Angeles Department of Water and Power and the Cities of  
Glendale, Burbank and Pasadena  
(non-voting Members of the Project Management Committee)

Over 98 percent of California's electric customers are served  
by these utilities.

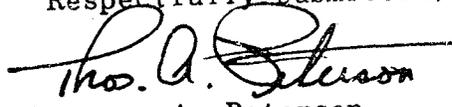
The project will help to meet a number of needs for both public and  
investor-owned utilities in California and the Pacific Northwest.  
It will provide for the following:

- °seasonal exchanges of power
- °more access to sales of power between the two regions
- °improve the amount of power that can be reliably transmitted  
between the regions
- °expand the markets for power and diversify the power resources  
of California and the Pacific Northwest
- °more efficiently utilize the power resources of both regions

It will provide a 1,600 MW "path" between the two regions for all of these purposes, and significantly benefit the citizens of our community. Existing rights-of-way and transmission lines are proposed to be utilized for a major part of the project, thus minimizing costs and environmental impacts.

The staff will be prepared to review this matter and answer any questions Councilmembers may have.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Thos. A. Peterson".

Thomas A. Peterson  
City Manager

TAP:jj

PROJECT AGREEMENT

TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

This Project Agreement ("Agreement") is dated as of June 19, 1985 by and among the undersigned Members of Transmission Agency of Northern California ("Agency"), a California joint exercise of powers agency, and the Agency.

WITNESSETH:

WHEREAS, the Agency desires to issue a promissory note (the "Promissory Note") in the form attached hereto as Exhibit A pursuant to California Government Code Section 6547 for the purpose of financing studies, the acquisition of options, permits and other preliminary costs to be incurred prior to the undertaking of construction or acquisition of a project for the transmission of electric energy; and

WHEREAS, none of the undersigned members of the Agency has contracted or is to contract to make payments to be applied to the payment of said Promissory Note;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the undersigned agree as follows:

1. Each of the undersigned Members of the Agency hereby approves of the issuance and sale of the Promissory Note in the form attached hereto as Exhibit A bearing such interest rate or rates and at such price as the Commission of the Agency shall authorize. Such approval is intended to be and is limited to the approval required by Paragraphs 6 and 15 of the Joint Powers Agreement creating the Agency attached hereto as Exhibit B and such approval is not intended to be and shall not constitute an authorization pursuant to Section 6547 of the California Government Code.

2. The Promissory Note shall not constitute a debt, liability or obligation of any of the Members of the Agency and shall not constitute a debt of the Agency payable by the Members of the Agency pursuant to Paragraph 21 of the Joint Powers Agreement attached hereto as Exhibit B.

3. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute a single Agreement.

Transmission Agency of Northern  
California

By \_\_\_\_\_  
And \_\_\_\_\_

City of Alameda

By \_\_\_\_\_  
And \_\_\_\_\_

City of Biggs

By \_\_\_\_\_  
And \_\_\_\_\_

City of Gridley

By \_\_\_\_\_  
And \_\_\_\_\_

City of Healdsburg

By \_\_\_\_\_  
And \_\_\_\_\_

City of Lodi

By \_\_\_\_\_  
And \_\_\_\_\_

City of Lompoc

By \_\_\_\_\_  
And \_\_\_\_\_

Modesto Irrigation District

By \_\_\_\_\_  
And \_\_\_\_\_

City of Palo Alto

By \_\_\_\_\_  
And \_\_\_\_\_

City of Redding

By \_\_\_\_\_  
And \_\_\_\_\_

City of Roseville

By \_\_\_\_\_  
And \_\_\_\_\_

Sacramento Municipal Utility  
District

By \_\_\_\_\_  
And \_\_\_\_\_

City of Santa Clara

By \_\_\_\_\_

And \_\_\_\_\_

Turlock Irrigation District

By \_\_\_\_\_

And \_\_\_\_\_

City of Ukiah

By \_\_\_\_\_

And \_\_\_\_\_

Plumas-Sierra Rural Electric  
Cooperative, Inc.

By \_\_\_\_\_

And \_\_\_\_\_



# COUNCIL COMMUNICATION

TO: THE CITY COUNCIL  
FROM: THE CITY MANAGER'S OFFICE

DATE  
June 1<sup>st</sup>, 1985

NO.

SUBJECT: RATE NORMALIZATION RESERVE

RECOMMENDED ACTION: That the City Council establish the Rate Normalization Reserve in the Electric Utility Fund.

BACKGROUND INFORMATION: The purpose of this reserve is to provide funding for the City's ultimate share of the costs of the Calaveras County Water Project during the first four years of its operation. The initial contribution to this reserve as a part of the 1985-86 Operating Budget is \$500,000. It is listed on page 3 of the budget document, the Electric Utility Fund Summary. It is recommended that the City Council take action to establish this reserve at this meeting. The reserve would be isolated from other funds and utilized only for rate normalization within the Electric Department. Accrued interest would stay within this reserve. Other monies previously received by the City to be placed in this reserve include the recent refund to the City of its share of the Calaveras Project Development Fund; the NCPA Development Fund repayment; and the refund from PG&E of monies owed wholesale power purchasers resulting from the sale of certain coal facilities and settlement of hydro purchases.

The staff will be prepared to discuss this matter and answer any questions Councilmembers may have.

Respectfully submitted,



Thomas A. Peterson  
City Manager

TAP:jj

RESOLUTION NO. 85-68  
RESOLUTION APPROVING "PROJECT AGREEMENT  
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA"

RESOLVED that the City Council of the City of Lodi, does hereby approve "Project Agreement Transmission Agency of Northern California".

BE IT FURTHER RESOLVED that the City Council of the City of Lodi, does hereby authorize the Mayor and City Clerk to execute the subject document on behalf of the City.

Dated: June 19, 1985

I hereby certify that Resolution No. 85-68 was passed and adopted by the City Council of the City of Lodi in a Regular Meeting held June 19, 1985 by the following vote:

AYES: Council Members - Olson, Reid, Snider, and Hinchman  
(Mayor)

NOES: Council Members - Pinkerton

ABSENT: Council Members - None

ABSTAIN: Council Members - None

*Alice M. Reimche*  
ALICE M. REIMCHE  
CITY CLERK

PROJECT AGREEMENT

TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

This Project Agreement ("Agreement") is dated as of June 19, 1985 by and among the undersigned Members of Transmission Agency of Northern California ("Agency"), a California joint exercise of powers agency, and the Agency.

WITNESSETH:

WHEREAS, the Agency desires to issue a promissory note (the "Promissory Note") in the form attached hereto as Exhibit A pursuant to California Government Code Section 6547 for the purpose of financing studies, the acquisition of options, permits and other preliminary costs to be incurred prior to the undertaking of construction or acquisition of a project for the transmission of electric energy; and

WHEREAS, none of the undersigned members of the Agency has contracted or is to contract to make payments to be applied to the payment of said Promissory Note;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the undersigned agree as follows:

1. Each of the undersigned Members of the Agency hereby approves of the issuance and sale of the Promissory Note in the form attached hereto as Exhibit A bearing such interest rate or rates and at such price as the Commission of the Agency shall authorize. Such approval is intended to be and is limited to the approval required by Paragraphs 6 and 15 of the Joint Powers Agreement creating the Agency attached hereto as Exhibit B and such approval is not intended to be and shall not constitute an authorization pursuant to Section 6547 of the California Government Code.

2. The Promissory Note shall not constitute a debt, liability or obligation of any of the Members of the Agency and shall not constitute a debt of the Agency payable by the Members of the Agency pursuant to Paragraph 21 of the Joint Powers Agreement attached hereto as Exhibit B.

3. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute a single Agreement.

Transmission Agency of Northern  
California

By \_\_\_\_\_

And \_\_\_\_\_

City of Alameda

By \_\_\_\_\_

And \_\_\_\_\_

City of Biggs

By \_\_\_\_\_

And \_\_\_\_\_

City of Gridley

By \_\_\_\_\_

And \_\_\_\_\_

City of Healdsburg

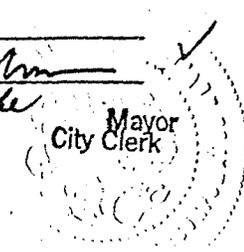
By \_\_\_\_\_

And \_\_\_\_\_

City of Lodi

By \_\_\_\_\_  
And James D. ...  
Allen M. Beumcke

City of Lompoc



By \_\_\_\_\_  
And \_\_\_\_\_

Modesto Irrigation District

By \_\_\_\_\_  
And \_\_\_\_\_

City of Palo Alto

By \_\_\_\_\_  
And \_\_\_\_\_

City of Redding

By \_\_\_\_\_  
And \_\_\_\_\_

City of Roseville

By \_\_\_\_\_  
And \_\_\_\_\_

Sacramento Municipal Utility  
District

By \_\_\_\_\_  
And \_\_\_\_\_

City of Santa Clara

By \_\_\_\_\_  
And \_\_\_\_\_

Turlock Irrigation District

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City of Ukiah

By \_\_\_\_\_  
And \_\_\_\_\_

Plumas-Sierra Rural Electric  
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By \_\_\_\_\_  
And \_\_\_\_\_