

Page 477 cc 1 &
cc 6

CITY COUNCIL MEETING

JULY 20, 1983

CITY ELECTS NOT
TO INCREASE ITS
PARTICIPATION
IN THE
CALAVERAS
PROJECT

City Manager Graves apprised the Council that the City was in receipt of a letter from the Northern California Power Agency advising that they had received a letter from the City of Redding confirming its desire to withdraw from the Calaveras Project and offering its interest to the other members of NCPA as provided for in the Calaveras Project Member Agreement. Following discussion, with questions being directed to Staff, Council, on motion of Mayor Pro Tempore Snider, Olson second, elected not to increase its participation in the Calaveras Project. The motion carried by unanimous vote of all Council Members present.



MEMORANDUM, City of Lodi, Community Development

Power Agency

TO: CITY MANAGER

FROM: COMMUNITY DEVELOPMENT DIRECTOR

DATE: JULY 13, 1983

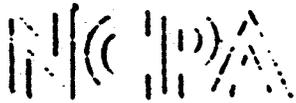
SUBJECT: PLANNING COMMISSION ACTIONS - JULY 11, 1983

FOR ACTION OF THE CITY COUNCIL

1. Recommended to the City Council that the Final Environmental Impact Report for Sunwest IV, a 52.6 acre mixed residential or residential-institutional project proposed for the east side of Lower Sacramento Road, one-quarter mile north of Kettleman Lane was adequate;
2. Recommended that Sunwest IV be rezoned to P-D (25), Planned Development District No. 25 with the following conditions:
 - a. that the single-family areas in the project conform to the City's R-1, Single-Family Residential District;
 - b. that the cluster homes development be limited to 15 units per acre and conform to the City's R-GA, Garden Apartment Residential District.

OF INTEREST TO THE CITY COUNCIL

1. Conditionally approved the request of Ronald B. Thomas on behalf of James D. S. Kim for a Tentative Parcel Map to divide APN 041-250-36 (i.e. 800 North Church Street) into two parts with Parcel "A" containing 3.00 acres, and Parcel "B" containing 1.50 acres in an area zoned P-D (17), Planned Development District No. 17.
2. Recommended that the San Joaquin County Planning Commission approve the request of Albert Thomas to rezone a 2.52 acre parcel at the northwest corner of State Route 99 and Woodbridge Road (i.e. 19555 North Highway 99) from I-PA, Interior Protected Agriculture to M-1/L, Light Manufacturing/Limited.



Northern California Power Agency

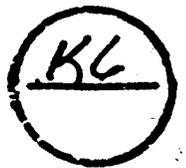
8421 Auburn Boulevard, Suite 160 Citrus Heights, California 95510

ROBERT E. GRIMSHAW
General Manager

(916) 722-7814

June 29, 1983

F U 7/20



RECEIVED

1983 JUN 30 AM 9 16

ALICE H. REIMCHE
CITY CLERK
CITY OF LOS

TO: Members of the NCPA Commission
FROM: Robert E. Grimshaw
SUBJECT: Calaveras Project

We have received a letter from the City of Redding confirming its desire to withdraw from the Calaveras Project; a copy of that letter is attached. You will note that Redding offers its interest to the other members of NCPA, as provided for in the Calaveras Project Member Agreement.

The relevant section of the Agreement appears to be Section 9(c), a copy of which is attached to this letter for convenient reference.

Please advise NCPA, prior to the July Commission meeting, whether the member you represent desires to increase its allocation in the Calaveras Project by virtue of an assignment from Redding, and the extent of the additional participation desired.

Yours truly,


ROBERT E. GRIMSHAW
General Manager

Attachments



CITY OF REDDING
CALIFORNIA



June 27, 1983

cc: Roger
Harris
Martin

Robert Grimshaw
Northern California Power Agency
8421 Auburn Blvd., Suite 160
Citrus Heights, CA 95610

Subject: NCPA Calaveras Project

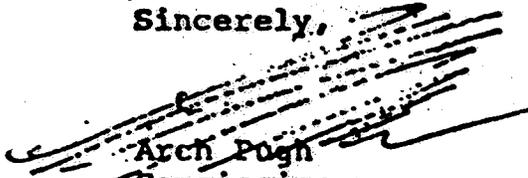
Dear Bob:

This letter will serve to confirm the notification made at the NCPA meeting of June 23, 1983, regarding Redding's decision to withdraw from the NCPA Calaveras Project.

During the regular City Council meeting of June 20, 1983, the Redding City Council voted to withdraw from the NCPA Calaveras Project, and authorized the City staff to prepare the necessary documents to provide for that withdrawal. Pursuant to Council action, Redding hereby offers its interest in the NCPA Calaveras Project to the other members of NCPA, as provided for in the Calaveras Project Member Agreement.

Please provide the appropriate notifications of the availability of Redding's interest in the Project to the other members of NCPA.

Sincerely,


Arch Pugh
Commissioner

AP:pd
05-036

cc: All Members of City Council
City Manager
City Attorney
City Clerk
Director - Electric Department

KL

(c) Prior to the date of issuance of Bonds other than Temporary Bonds, any Project Participant may, subject to subsection (b) of this Section 9, transfer, assign, sell or exchange all or a portion of the Project capacity and energy to which such Project Participant is entitled in accordance with this subsection (c). Such capacity and energy may be offered to other Project Participants. Each such Project Participant shall be limited in its right to such capacity and energy as against any other such Project Participant in proportion to their Project Entitlement Percentages thereof. Any such transferee, assignee, exchangee or vendee shall be entitled to Project capacity and energy to the extent the same are so transferred, assigned, exchanged or sold. The Project Entitlement Percentage of the Project Participant so transferring, assigning, exchanging or selling shall be decreased and the obligations of such Project Participant under this Agreement shall be discharged to the extent Project capacity and energy is transferred, assigned, exchanged or sold; provided, however, that such Project Participant shall remain liable for all obligations of NCPA incurred prior to the date of such transfer, assignment, exchange or sale to the extent of its Project Entitlement Percentage unless such obligations are specifically assumed by the transferee, assignee, exchangee or vendee of such Project Participant. Any such transaction which would discharge or reduce any Project Participant's obligation pursuant to this subsection (c) shall be subject to the prior approval of NCPA and in addition, each Significant Transaction shall be subject to the approval of each Project Participant unless NCPA determines, after consultation with its consulting engineer, that such approval should not be required. Appendix A to this Agreement shall be amended as appropriate to reflect any such transaction pursuant to this subsection (c) changing any Project Entitlement Percentage. Where a transfer, assignment, sale, or exchange is made of Project energy or capacity without decreasing a Project Participant's obligations under this Agreement, no approval is required under this subsection (c).

F u 7/20

CITY COUNCIL

EVELYN M. OLSON, Mayor
JOHN R. (Randy) SNIDER
Mayor Pro Tempore
ROBERT G. MURPHY
JAMES W. PINKERTON, Jr.
FRED M. REID

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
POST OFFICE BOX 320
LODI, CALIFORNIA 95241
(209) 334-5634

HENRY A. GLAVES, Jr.
City Manager
ALICE M. REINACHE
City Clerk
RONALD M. STEIN
City Attorney

July 26, 1983

Mr. Robert E. Grimshaw
General Manager
Northern California Power Agency
8421 Auburn Blvd., Suite 160
Citrus Heights, CA 95610

Subject: Calaveras Project

This letter will serve as formal notification that the Lodi City Council, by motion action taken at its regular meeting of July 20, 1983 following receipt of your June 29, 1983 letter, elected not to increase its participation or allocation in the Calaveras project.

Very truly yours,

Alice M. Reinache

Alice M. Reinache
City Clerk

AMR:jj

DATE

Spiraling costs

City pulls out of power deals

DO NOT
PASTE
BEYOND
THIS
LINE

By BILL MILLER

Faced with spiraling development costs, the city of Redding has bailed out of a pair of hydroelectric power projects on north state rivers.

The City Council unanimously agreed Monday night to withdraw from the projects it had been helping to develop as a member of the Northern California Power Agency (NCPA), a power-development consortium.

The alliance of eight cities is seeking to take over Pacific Gas & Electric Co.'s federal permits to run a pair of old hydroelectric power plants on the North Fork of the Feather River northeast of Oroville.

The NCPA also is attempting to build a hydropower system and "recapture" old PG&E facilities on the North Fork of the Stanislaus River in Calaveras County.

Redding officials said the city would be taking a major financial risk if it continued in either project.

Electric Department Director Sam Lindley said both NCPA projects have been victimized by

environmental roadblocks and costly, time-consuming legal battles with PG&E.

"We're at the point now where nobody seems to know what it's all going to cost," he said.

The council approved involvement in the 200-megawatt Feather River hydropower project three years ago.

Since then, however, costs have more than doubled.

The original estimate for the city's 10-megawatt share was \$44,000. Today, NCPA officials estimate Redding's contribution next year alone would amount to nearly \$56,000.

PG&E has tied up the \$750,000 project in court, forcing tremendous cost escalation due to legal fees.

The confrontation began two years ago, when the Federal Energy Regulatory Commission (FERC) ruled that a 1920 federal power plant licensing law, favoring public operation of public resources over private, also applies to relicensing.

The ruling says a public utility

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should have "preference" in obtaining licenses.

Since 1977, the city has been seeking a 19-megawatt share, or 10 percent interest, from the Calaveras hydropower project.

But city officials predict PG&E's legal challenge to that project take-over will take at least another year to grind through the judicial system, forcing development costs to soar as high as \$1 billion.

That would represent cost escalation of more than 400 percent over original estimates studied by the city, according to Councilman Archer Pugh.

Pugh blamed much of the spiraling costs on environmental groups, calling the protesters "obstructionists" who can't understand the public benefit of reduced energy costs.

"It's a sad commentary on our society that we have to put ourselves through these gymnastics," he said.

Mayor Barbara Gard said there was little choice but to withdraw.

(See POWER A-12)

Power

(Continued from A-1)

from the projects, saying she had grown increasingly apprehensive in recent months about the city's continued participation.

Lindley said he can support dropping out of the projects much easier today, since the city is in the process of working out a major power-purchase deal in New Mexico.

Redding, Santa Clara and the Modesto Irrigation District -- as the MSR Public Power Agency -- plan to buy a 28 percent interest in a coal-fired power plant from Public Service Co. of New Mexico. Redding's share would be 22 megawatts.

Other city-supported power ventures "seem to be moving along" and have "better potential for success" than the Calaveras and Feather River projects, Lindley said.

The city has invested approximately \$426,000 in the two NCPA projects.

Lindley said he is confident those funds will be returned once Redding transfers its interest to other utilities.

Redding apparently is the first of the NCPA cities to drop out entirely, although others have reduced their shares in the projects.

In a related matter, the council decided Monday to abandon plans to build one of four small hydroelectric generating units along the Anderson-Cottonwood Irrigation District (ACID) canal.

Electric Department officials judged the plant to be economically unfeasible.

The city will surrender the preliminary permit granted by the FERC for the site.

The council also agreed to spend \$34,000 on additional environmental studies for the city's proposed \$60 million Lake Redding hydropower project.

The studies have been required by the FERC in order to mitigate the impact on fish habitat.

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