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CITY COUNCIL MEETING
SEPTEMBER 18, 1985

TRANSMISSION AGENCY
OF NORTHERN CALIFORNIA
(TANC) FINANCING
ORDINANCE INTRODUCED

ORD. NO. 1365

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A proposed ordinance entitled, "An Ordinance of the City of Lodi Authorizing the Transmission Agency of Northern California to Issue Revenue Bonds, Notes and Other Evidences of Indebtedness" was presented for Council's approval.

Council was apprised that this action is the next step in realizing the completion of the construction of the proposed 500-KV transmission line between Central California and Southern Oregon. This ordinance will authorize TANC to issue revenue bonds in an amount not to exceed \$20,000,000 to fund a project comprised of:

- a) feasibility and planning studies for possible future action by TANC concerning the proposed project.
- b) repayment of the \$3,500,000 Promissory Note issued by TANC on June 21, 1985 for the purpose of financing such feasibility and planning studies; and
- c) project costs for project development work

As with the promissory note issued earlier, neither the payment of the principal of the indebtedness nor any part thereof nor interest on the principal shall constitute a debt, liability or obligation of the City of Lodi. The project participants include not only the Northern California Power Agency (NCPA) cities, but six Southern California cities, the Sacramento Municipal Utility District, the State of California, the Federal Government, and three-investor-owned utilities including the Pacific Gas and Electric Company.

Council discussion followed with questions being directed to Staff.

Council Member Snider then moved for introduction of Ordinance No. 1365 - An Ordinance of the City Council of the City of Lodi Authorizing the Transmission Agency of Northern California to Issue Revenue Bonds, Notes, and Other Evidences of Indebtedness. The motion was seconded by Council Member Olson, and carried 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

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL

DATE

NO.

FROM: THE CITY MANAGER'S OFFICE

September 18, 1985

SUBJECT:

TRANSMISSION AGENCY OF NORTHERN CALIFORNIA (TANC) FINANCING ORDINANCE

RECOMMENDED ACTION: That the City Council introduce Ordinance No. _____ "An Ordinance of the City of Lodi Authorizing the Transmission Agency of Northern California to Issue Revenue Bonds, Notes and Other Evidences of Indebtedness".

BACKGROUND INFORMATION: This action is the next step in realizing the completion of the construction of the proposed 500-KV transmission line between Central California and Southern Oregon. This ordinance will authorize TANC to issue revenue bonds in an amount not to exceed \$20,000,000 to fund a project comprised of:

- a) feasibility and planning studies for possible future action by TANC concerning the proposed project.
- b) repayment of the \$3,500,000 Promissory Note issued by TANC on June 21, 1985 for the purpose of financing such feasibility and planning studies; and
- c) project costs for project development work.

As with the promissory note issued earlier, neither the payment of the principal of the indebtedness nor any part thereof nor interest on the principal shall constitute a debt, liability or obligation of the City of Lodi. As the Council is aware, the project participants include not only the Northern California Power Agency (NCPA) cities, but six Southern California cities, the Sacramento Municipal Utility District, the State of California, the Federal Government, and three investor-owned utilities including the Pacific Gas and Electric Company.

As of this writing, the actual ordinance to be acted on has not arrived from the offices of TANC's general counsel. We will have it for distribution prior to Wednesday night's meeting.

The staff will be prepared to answer any questions Councilmembers may have.

Respectfully submitted,



Thomas A. Peterson
City Manager

TAP:jj

EXHIBIT "B"

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LODI AUTHORIZING THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA TO
ISSUE REVENUE BONDS, NOTES AND OTHER EVIDENCES
OF INDEBTEDNESS

The City Council of the City of Lodi does ordain as follows:

Section 1. The Transmission Agency of Northern California (the "Agency") organized under that certain Joint Powers Agreement dated December 10, 1984, to which this city is a party, is hereby authorized to issue revenue bonds, notes or any other evidences of indebtedness and to renew all of the same (hereinafter referred to as "Indebtedness") payable from the revenues of the Agency unless paid from the proceeds of indebtedness, pursuant to the provisions of Article 2 (commencing with Section 6540), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), in a maximum amount of twenty million dollars (\$20,000,000), for the project described in Section 2 hereof, provided that, notwithstanding the statement of such maximum amount, the Agency is also authorized by this Ordinance to issue the Indebtedness in amounts which may exceed such estimate without further authorization under this Ordinance if and to the extent such additional indebtedness shall be required to complete the financing of the project described in Section 2 hereof.

Section 2. The project to be funded by the Indebtedness hereby authorized as comprised of (a) feasibility and planning studies for possible future action by the Agency concerning the proposed California-Oregon Transmission Project; and (b) repayment of the \$3,500,000 Promissory Note issued by the Agency on June 21, 1985 for the purpose of financing such feasibility and planning studies.

Section 3. The anticipated sources of revenue for the payment of the Indebtedness herein authorized to be issued by the Agency are revenues derived from payments from members of the Agency and proceeds of Indebtedness issued in connection with the financing of the project.

Section 4. Neither the payment of principal of the Indebtedness nor any part thereof nor interest thereon shall constitute a debt, liability or obligation of this city.

Section 5. This Ordinance is subject to the provisions of referendum prescribed by Section 3751.7 of the Elections Code of the State of California. Subject to the foregoing, this ordinance shall take effect and be in force sixty (60) days from the date of its adoption.

Section 6. The City Clerk is hereby directed to cause this Ordinance to be published after its adoption, as provided by law, in a newspaper of general circulation within the City and shall also do other things required to cause notice of the adoption of this Ordinance to be published in the manner required by Section 6040.1 of the Government Code of the State of California.

I HEREBY CERTIFY that the foregoing Ordinance was introduced and read at a regular meeting of the City Council of the City of Lodi on the 18th day of September, 1985 and was duly read and adopted on the day of _____ 1985, at a regular meeting of the _____ by the

following vote:

Ayes:

Noes:

Absent:

Authorized Officer

Attest:

Authorized Officer

FORM APPROVED:

Authorized Officer

_____, 1985