

RESOLUTION NO. 2001-245

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE CITY MANAGER TO EXECUTE EXHIBIT "B" OF THE MASTER  
POWER PURCHASE AND SALE AGREEMENT BETWEEN THE  
CITY OF LODI AND THE STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

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WHEREAS, for nearly five months, City staff and the State of California Department of Water Resources (DWR) have been negotiating the terms and conditions of the development of a peak power generating plant to be located within the City limits of Lodi. DWR purchases power for two of the State's largest investor-owned utilities as a result of the "meltdown" of California's power markets at the beginning of the year; and

WHEREAS, DWR has determined that the State would benefit from additional peak generating capacity and City staff has determined that an appropriately designed and located peaking facility would be advantageous to the reliability and energy security of City of Lodi electric customers; and

WHEREAS, City staff is now seeking Council approval to proceed with the development of a 43-45Mw peaking power generating facility within the Lodi City limits. The basic parameters of the transaction are as follows:

- Lodi would develop the new peaking plant.
- Lodi would finance the plant through the issuance of bonds.
- Lodi would own and operate the plant.
- Lodi will retain the right to recall up to 22Mw of capacity commencing July 1, 2005.
- DWR would pay Lodi a fixed and variable monthly amount for the fifteen (15) year term of the agreement.
- DWR would supply the fuel or pay Lodi to supply the fuel for the plant's output.
- After the fifteen (15) year term of the agreement, the plant output would belong to Lodi without further obligation to DWR; and

WHEREAS, City staff respectfully requests City Council authorization for the City Manager to execute Exhibit B – Master Power Purchase and Sale Agreement Confirmation Letter (2001 B Transaction – Peaking Capacity) between the City of Lodi and DWR. Exhibit B is in substantially final form. It should be noted that Council's authorization of Exhibit B is contingent upon an appropriate site being located within the City limits of Lodi as contemplated under all appropriate provisions of the California Environmental Quality Act. Additionally, Council's authorization is contingent upon the City's ability to finance the project; and

WHEREAS, the Electric Utility Department respectfully requests City Council authorization for the City Manager to execute Exhibit "B" of the Master Power Purchase and Sale Agreement.

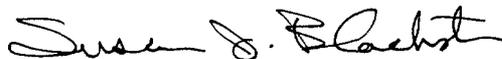
NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council does hereby authorize the City Manager to execute Exhibit "B" of the Master Power Purchase and Sale Agreement between the City of Lodi and the State of California Department of Water Resources presented here in substantial final form.

Dated: October 30, 2001

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I hereby certify that Resolution No. 2001-245 was passed and adopted by the City Council of the City of Lodi in a special meeting held October 30, 2001 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard and Mayor Nakanishi  
NOES: COUNCIL MEMBERS – None  
ABSENT: COUNCIL MEMBERS – Land  
ABSTAIN: COUNCIL MEMBERS – Pennino



SUSAN J. BLACKSTON  
City Clerk