

RESOLUTION NO. 2014-50

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE A LONG-TERM LAYOFF
AGREEMENT FOR THE CALIFORNIA OREGON
TRANSMISSION PROJECT BETWEEN THE CITY OF LODI
AND CERTAIN MEMBERS OF THE TRANSMISSION AGENCY
OF NORTHERN CALIFORNIA

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WHEREAS, the Transmission Agency of Northern California (TANC) is a California Joint Powers Agency that has facilitated the construction and joint ownership of transmission projects on behalf of its members; and

WHEREAS, TANC members include the Sacramento Municipal Utility District (SMUD), Modesto Irrigation District (MID), Turlock Irrigation District (TID), Plumas Sierra Rural Electric Cooperative, and the California cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Redding, Roseville, Santa Clara, and Ukiah; and

WHEREAS, TANC is a joint owner of the California Oregon Transmission Project (COTP), a transmission line connecting the Pacific Northwest with Central California; and

WHEREAS, the City is a signatory to TANC Project Agreement Number 3 (1990), by which the City has a 1.9201% project participation entitlement on the COTP (approximately 26 megawatts); and

WHEREAS, recent historic and projected value of COTP to the City's electricity portfolio is lower than participation costs; and

WHEREAS, City's current costs associated with COTP are approximately \$1.2 million per year; and

WHEREAS, under TANC Project Agreement Number 3 and TANC's Procedures for Long-Term Layoffs of Transmission Capacity, the City is able to assign its COTP entitlements to other COTP participants; and

WHEREAS, SMUD, TID, and MID have agreed to accept the City's share of COTP entitlements, via a layoff arrangement, for a period of 25 years, with an option to extend 5 years upon mutual agreement; and

WHEREAS, this activity would not result in a direct or reasonable foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 of the California Environmental Quality Act and no environmental review is necessary; and

WHEREAS, the Risk Oversight Committee received a report on this agenda item and recommends City Council approval.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Long-Term Layoff Agreement (Agreement) for the California Oregon Transmission Project (COTP) between the City of Lodi and certain members of the Transmission Agency of Northern California (TANC); and

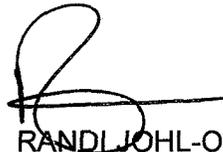
BE IT FURTHER RESOLVED that authorization for any extension of term, including the five-year extension option, shall be subject to future review and authorization of the Lodi City Council.

Dated: April 2, 2014

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I hereby certify that Resolution No. 2014-50 was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2014, by the following vote:

- AYES: COUNCIL MEMBERS – Hansen, Johnson, Mounce, Nakanishi, and Mayor Katzakian
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL-OLSON
City Clerk