LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

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AGENDA – REGULAR MEETING

Date: **May 7, 2014**
Time: **Closed Session 6:00 p.m.**
Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:
Randi Johl-Olson, City Clerk
Telephone: (209) 333-6702

6:55 p.m. Invocation/Call to Civic Responsibility. Invocations/Calls may be offered by any of the various religious and non-religious organizations within and around the City of Lodi. These are voluntary offerings of private citizens, to and for the benefit of the Council. The views or beliefs expressed by the Speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the beliefs or views of any speaker.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

a) Conference with Adele Post, Human Resources Manager, and Dean Gualco, Library Services Director (Labor Negotiators), Regarding International Brotherhood of Electrical Workers Pursuant to Government Code §54957.6

b) Appointment of Council Appointees: City Manager and City Attorney; Pursuant to Government Code §54957; and Conference with Mayor Phil Katzakian (Labor Negotiator) Regarding City Council Appointees – City Manager, City Attorney, and City Clerk; Pursuant to Government Code §54957.6

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll Call

B. Presentations

B-1 Bike to Work Week and Day Proclamation (PW)

B-2 National Public Works Week Proclamation (PW)

C. Consent Calendar (Reading; Comments by the Public; Council Action)

C-1 Receive Register of Claims in the Amount of $7,185,806.38 (FIN)

C-2 Approve Minutes (CLK)
a) April 15, 22, and 29, 2014 (Shirtsleeve Sessions)
b) April 16, 2014 (Regular Meeting)

C-3 Approve Specifications and Authorize Advertisement for Bids for 2014/15 Asphalt Materials (PW)

C-4 Approve Specifications and Authorize Advertisement for Bids to Procure Equipment for Phase II.I Mobile Inspection/Reporting and Integration for the Electric Utility's Geographical Information System (EU)

Res. Res. C-5 Adopt Resolutions Approving the Purchase of GO! Sync Mobile Software ($13,755) and Authorizing the City Manager to Execute a Professional Services Agreement for Software Implementation and Training Services ($18,000) with TC Technology, of Carlsbad, for Phase II.I Integration of the Electric Utility's Geographical Information System (EU)

Res. C-6 Adopt Resolution Approving Purchase of Transit Fare Collection Equipment from Sole Source GFI GenFare, of Elk Grove Village, IL ($38,938) (PW)

Res. C-7 Adopt Resolution Awarding Contract for Americans with Disabilities Act Improvement Project Phase 3 – Church Street Parking Lots to MCI Engineering, of Stockton ($278,926.32), and Appropriating Funds ($47,000) (PW)

Res. C-8 Adopt Resolution Awarding Contract for Hutchins Street Square South Entrance Americans with Disabilities Act Project, 125 South Hutchins Street, to A.M. Stephens Construction Company, Inc., of Lodi ($64,106.50) (PW)

Res. C-9 Adopt Resolution Awarding Contract for 2014-2015 Fence Repair Program, Various Locations, to John D. Wait Masonry, Inc., of Lodi ($48,349.92); Authorizing the Public Works Director to Execute Extensions; and Appropriating Funds ($50,000) (PW)

C-10 Accept Improvements Under Contract for Lodi Public Library Phase 3 Remodel Project (PW)

Res. C-11 Adopt Resolution Authorizing the City Manager to Execute Amendment No. 1 to Professional Services Agreement for Topographic Survey Work for Harney Lane Grade Separation Project with Baumbach & Piazza, Inc., of Lodi, and Appropriating Funds ($7,800) (PW)

Res. C-12 Adopt Resolution Authorizing the City Manager to Execute a Professional Services Agreement and Extensions with Robert Half Technology for Temporary Technical Support ($110,000) (CM)

Res. C-13 Adopt Resolution Approving the Agreement Between the City of Lodi and Spare Time, Inc., dba Twin Arbors Athletic Club, for the Summer Swim League Program (PRCS)

Res. C-14 Adopt Resolutions Authorizing the City Manager to Execute a Power Management and
Res. Administrative Services Agreement, Amended and Restated Facilities Agreement, Amended
Res. and Restated Scheduling Coordination Program Agreement, and Second Amended and
Res. Restated Pooling Agreement with Northern California Power Agency (EU)

Res. C-15 Adopt Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Third Amended and Restated Northern California Power Agency Metered Subsystem Aggregator Agreement (EU)

Res. C-16 Adopt Resolution Approving Irrevocable Dedication of Solid Waste Improvements Located at 114 West Oak Street (PW)

Res. C-17 Adopt Resolution Approving City's Financial Participation in Busy Bee Cleaners Site Decommissioning ($47,188) and Appropriating Funds ($52,000) (PW)

Res. C-18 Adopt Resolution Authorizing the City Manager to Execute Active Transportation Program Grant Application (PW)

C-19 Authorize City Attorney to Issue "Comfort Letter" to AH Wines, Inc., of Lodi, for 25, 27, and 31 East Vine Street (PW)

C-20 Set Public Hearing for May 21, 2014, to Consider Adopting Resolution Approving the Planning Commission's Recommendation to Authorize 145 Low-Density Residential, 55 Medium-Density Residential, and 88 High-Density Residential Growth Management Allocations for Van Ruiten Ranch Subdivision (CD)

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3l). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

E. Comments by the City Council Members on Non-Agenda Items

F. Comments by the City Manager on Non-Agenda Items

G. Public Hearings

Res. G-1 Public Hearing to Consider Adopting Resolution Setting Future Water, Wastewater, and Solid Waste Rate Schedules Pursuant to Proposition 218 for Residential, Commercial, and Industrial Customers (PW)

Res. G-2 Public Hearing to Consider Adopting a Resolution Approving the Final 2014-2018 Consolidated Plan for the Community Development Block Grant Program (CD)

H. Communications

H-1 Post for Expiring Terms on the Library Board of Trustees, Lodi Arts Commission, and Planning Commission and Re-Post for Existing Vacancies on the Lodi Arts Commission (CLK)

I. Regular Calendar

Res. I-1 Adopt Resolution Appointing Stephen Schwabauer as City Manager and Approving the Related Employment Agreement

Res. I-2 Adopt Resolution Appointing Janice D. Magdich as City Attorney and Approving the Related Employment Agreement

Res. I-3 Adopt Resolution Approving Addendum to Employment Agreement with City Clerk by Adding Standalone Legislative Job Duties, Reclassifying the Position as City Clerk/Legislative Affairs Officer, and Adjusting Salary

Res. I-4 Adopt Resolution Approving the Classification and Salary Range for the Position of Property and Evidence Technician (CM)

J. Ordinances – None

K. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

_____
Randi Johl-Olson
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Randi Johl-Olson at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Randi Johl-Olson (209) 333-6702.

Meetings of the Lodi City Council are telecast on SJTV, Channel 26. The City of Lodi provides live and archived webcasts of regular City Council meetings. The webcasts can be found on the City's website at www.lodi.gov by clicking the meeting webcasts link.

AGENDA ITEM B-01

CITY OF LODI
COUNCIL COMMUNICATION

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AGENDA TITLE: Presentation of Proclamation Proclaiming May 12-16, 2014, as "Bike to Work Week" and May 15, 2014 as "Bike to Work Day" in Lodi

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Presentation of proclamation proclaiming May 12-16, 2014, as "Bike to Work Week" and May 15, 2014 as "Bike to Work Day" in Lodi.

BACKGROUND INFORMATION: National Bike to Work Week is a call to action for commuters to try bicycling to work rather than driving. Bicycling improves air quality and rider health, and it reduces congestion on roadways. During the week of May 12-16, 2014, the City and various employers throughout Lodi will encourage their employees to bike to work.

On Thursday, May 15, 2014, a community "Bike to Work Day" event will be held at Lodi Veterans Plaza (adjacent to City Hall) from 6:30 a.m. to 8:30 a.m. The event is open to all members of the community. Representatives from San Joaquin Council of Governments' Commute Connection, San Joaquin Bicycle Coalition, REI, and Lodi Bicycle Shoppe will be present. Free bike safety checks, bike commute information, snacks, coffee and free handouts will be available.

A representative from the San Joaquin Bicycle Coalition will be present to accept the proclamation.

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by Julia Tyack, Transportation Planner

FWS/JMT/pmf

APPROVED: _____
Stephen Schwabauer, Interim City Manager

AGENDA ITEM B-02

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Presentation of Proclamation Proclaiming the Week of May 18 – 24, 2014, as "National Public Works Week" in Lodi

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Presentation of proclamation proclaiming the week of May 18 - 24, 2014, as "National Public Works Week" in Lodi.

BACKGROUND INFORMATION: Public Works Week is a national event to educate the public on how important the contribution of Public Works is to their daily lives. This year's theme is "Building for Today, Planning for Tomorrow" and recognizes that the work of Public Works is vital to a sustainable and vibrant tomorrow. Public Works plays a key role in the planning, building and maintenance of infrastructure project in our community that will allow future generations to enjoy a higher quality of life.

National Public Works Week calls attention to the importance of Public Works in community life and seeks to enhance the prestige of the often-unsung heroes of our society – the professionals who serve the public good every day with quiet dedication. These unsung heroes are the men and women in Public Works who plan, design, build, and maintain our water, wastewater, drainage and street systems, City buildings, and fleet; who are responsible for the City's transit and solid waste services; who play a role in the quality of life in our community; and who are helping to move life forward.

A representative of the Public Works Department will be present to accept the proclamation.

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by Rebecca Areida-Yadav, Management Analyst

FWS/RAY/pmf

APPROVED: _____
Stephen Schwabauer, Interim City Manager

AGENDA ITEM C-01

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Receive Register of Claims through April 17, 2041 in the Total Amount of $7,185,806.38.

MEETING DATE: May 7, 2014

PREPARED BY: Financial Services Manager

RECOMMENDED ACTION: Receive the attached Register of Claims for $7,185,806.38.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of $7,185,806.38 through 04/17/14. Also attached is Payroll in the amount of $2,591,313.57.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: As per attached report.

_____
Ruby R. Paiste, Financial Services Manager

RRP/rp

Attachments

APPROVED: _____
Stephen Schwabauer, Interim City Manager

As of Thursday	Fund	Name	Amount
04/17/14	00100	General Fund	1,643,995.68
	00160	Electric Utility Fund	3,466,322.01
	00164	Public Benefits Fund	11,225.00
	00166	Solar Surcharge Fund	36,480.60
	00170	Waste Water Utility Fund	1,109,103.23
	00171	Waste Wtr Util-Capital Outlay	41,833.70
	00180	Water Utility Fund	68,829.60
	00181	Water Utility-Capital Outlay	87,077.66
	00210	Library Fund	4,047.04
	00260	Internal Service/Equip Maint	28,977.00
	00270	Employee Benefits	23,075.02
	00300	General Liabilities	2,383.99
	00310	Worker's Comp Insurance	29,084.46
	00320	Street Fund	326.00
	00321	Gas Tax-2105,2106,2107	26,540.67
	00322	Gas Tax -2103	2,201.57
	00325	Measure K Funds	15,125.34
	00330	RTIF County/COG	2,304.85
	00331	Federal - Streets	71,982.24
	00340	Comm Dev Special Rev Fund	149.10
	00347	Parks, Rec & Cultural Services	23,388.87
	00410	Bond Interest & Redemption	412,048.96
	00459	H U D	8,246.97
	01211	Capital Outlay/General Fund	3,786.48
	01250	Dial-a-Ride/Transportation	6,064.62
	01251	Transit Capital	37,589.31
	01410	Expendable Trust	7,988.16
Sum			7,170,178.13
	00184	Water PCE-TCE-Settlements	42.00
	00185	PCE/TCE Rate Abatement Fund	7,789.25
	00190	Central Plume	7,296.00
	00191	Southern Plume	250.00
	00194	South Central Western Plume	251.00
Sum			15,628.25
Total Sum			7,185,806.38

Payroll	Pay Per Date	Co	Name	Gross Pay
Regular	03/30/14	00100	General Fund	831,497.47
		00160	Electric Utility Fund	166,789.61
		00161	Utility Outlay Reserve Fund	4,726.41
		00170	Waste Water Utility Fund	117,723.65
		00180	Water Utility Fund	10,323.54
		00210	Library Fund	28,850.74
		00260	Internal Service/Equip Maint	17,461.71
		00321	Gas Tax-2105,2106,2107	28,132.76
		00340	Comm Dev Special Rev Fund	25,512.54
		00345	Community Center	192.53
		00347	Parks, Rec & Cultural Services	96,109.67
		01250	Dial-a-Ride/Transportation	7,608.30
Pay Period Total:				
Sum				1,334,928.93
	04/13/14	00100	General Fund	739,782.44
		00160	Electric Utility Fund	161,206.49
		00161	Utility Outlay Reserve Fund	4,726.41
		00170	Waste Water Utility Fund	119,138.01
		00180	Water Utility Fund	9,359.79
		00210	Library Fund	25,667.44
		00260	Internal Service/Equip Maint	17,394.03
		00270	Employee Benefits	2,955.89
		00321	Gas Tax-2105,2106,2107	28,005.92
		00340	Comm Dev Special Rev Fund	24,654.61
		00347	Parks, Rec & Cultural Services	115,885.31
		01250	Dial-a-Ride/Transportation	7,608.30
Pay Period Total:				
Sum				1,256,384.64

AGENDA ITEM C-02

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Minutes
a) April 15, 2014 (Shirtsleeve Session)
b) April 16, 2014 (Regular Meeting)
c) April 22, 2014 (Shirtsleeve Session)
d) April 29, 2014 (Shirtsleeve Session)

MEETING DATE: May 7, 2014

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) April 15, 2014 (Shirtsleeve Session)
b) April 16, 2014 (Regular Meeting)
c) April 22, 2014 (Shirtsleeve Session)
d) April 29, 2014 (Shirtsleeve Session)

BACKGROUND INFORMATION: Attached are copies of the subject minutes marked Exhibit A through D, respectively.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl-Olson
City Clerk

Attachments

APPROVED: _____
Stephen Schwabauer, Interim City Manager

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EXHIBIT A

LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, APRIL 15, 2014

The April 15, 2014, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Randi Johl-Olson
City Clerk

EXHIBIT B

LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, APRIL 16, 2014

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of April 16, 2014, was called to order by Mayor Katzakian at 6:05 p.m.

Present: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Hansen, and Mayor Katzakian
Absent: None
Also Present: Interim City Manager Schwabauer, Interim City Attorney Magdich, and City Clerk Johl-Olson

C-2 Announcement of Closed Session

a) Conference with Adele Post, Human Resources Manager, and Dean Gualco, Library Services Director (Labor Negotiators), Regarding International Brotherhood of Electrical Workers Pursuant to Government Code §54957.6

b) Pending Litigation: Government Code §54956.9(a); One Case; Sukhwinder Kaur, Individually and As the Successor in Interest for the Decedent Parminder Singh Shergill, et. al. v. City of Lodi, et al.; U.S. District Court, Eastern District of California, Case No. 2:14-CV-00828-GEB-AC

C-3 Adjourn to Closed Session

At 6:05 p.m., Mayor Katzakian adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 7:10 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:10 p.m., Mayor Katzakian reconvened the City Council meeting, and Interim City Attorney Magdich disclosed the following actions.

Items C-2 (a) and C-2 (b) were discussion only with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of April 16, 2014, was called to order by Mayor Katzakian at 7:10 p.m.

Present: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Hansen, and Mayor Katzakian
Absent: None
Also Present: Interim City Manager Schwabauer, Interim City Attorney Magdich, and City Clerk Johl-Olson

B. Presentations

B-1 Peace Officers' Memorial Month Proclamation (PD)

Mayor Katzakian presented proclamation to Captain Tod Patterson proclaiming the month of May 2014 as "Peace Officers' Memorial Month" in the City of Lodi.

B-2 Administrative Professionals Week Proclamation (CM)

Mayor Katzakian presented proclamation to Patsy Methvin, Senior Administrative Clerk with the Police Department, along with other administrative professionals within the City, proclaiming the week of April 20-26, 2014, as "Administrative Professionals Week" in the City of Lodi.

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Council Member Johnson made a motion, second by Mayor Pro Tempore Hansen, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Hansen, and Mayor Katzakian
Noes: None
Absent: None

C-1 Receive Register of Claims in the Amount of $2,151,398.75 (FIN)

Claims were approved in the amount of $2,151,398.75.

C-2 Approve Minutes (CLK)

The minutes of April 1, 2014 (Shirtsleeve Session), April 2, 2014 (Regular Meeting), and April 8, 2014 (Shirtsleeve Session) were approved as written.

C-3 Adopt Resolution Authorizing the Purchase of 13 26-Foot Transit Vehicles from A-Z Bus Sales, of Sacramento ($2,571,193), and Appropriating Funds ($742,700) (PW)

Adopted Resolution No. 2014-52 authorizing the purchase of 13 26-foot transit vehicles from A-Z Bus Sales, of Sacramento, in the amount of $2,571,193 and appropriating funds in the amount of $742,700.

C-4 Adopt Resolution Authorizing the City Manager to Approve the Sole Source Purchase of a 2006 Chevy Express Van from the LOEL Center and Appropriate Vehicle Replacement Funds ($10,000) (PD)

Adopted Resolution No. 2014-53 authorizing the City Manager to approve the sole source purchase of a 2006 Chevy Express van from the LOEL Center and appropriating vehicle replacement funds in the amount of $10,000.

C-5 Accept Improvements Under Contract for Fixed Network Project (PW)

Accepted the improvements under contract for Fixed Network Project.

C-6 Adopt Resolution Authorizing the City Manager to Execute Amendment No. 1 to Professional Services Agreement with RKS Research & Consulting for 2014 Statewide Survey of Residential Customers Served by California Municipal Utilities to Include Translation Services ($24,950) (EU)

Adopted Resolution No. 2014-54 authorizing the City Manager to execute Amendment No. 1 to Professional Services Agreement with RKS Research & Consulting for 2014 Statewide survey of residential customers served by California Municipal Utilities to include translation services in the amount of $24,950.

C-7 Adopt Resolution Authorizing the City Manager to Execute a Professional Services Agreement for Parks, Recreation and Cultural Services Department Strategic Plan with PROS Consulting, Inc., of Indianapolis, IN ($86,820) (PRCS)

Adopted Resolution No. 2014-55 authorizing the City Manager to execute a Professional Services Agreement for Parks, Recreation and Cultural Services Department strategic plan with PROS Consulting, Inc., of Indianapolis, IN, in the amount of $86,820.

C-8 Adopt Resolution Authorizing the City Manager to Execute Standard Agreements and Any Necessary Related Documents with Lodi Community Foundation for Parks and Recreation Expendable and Endowment Funds (PRCS)

Adopted Resolution No. 2014-56 authorizing the City Manager to execute standard agreements and any necessary related documents with Lodi Community Foundation for Parks and Recreation expendable and endowment funds.

C-9 Adopt Resolution Appropriating $5,000 from the Art in Public Places Fund for a Great Blue Heron Watershed Education Bench and Workshop (PRCS)

Adopted Resolution No. 2014-57 appropriating $5,000 from the Art in Public Places fund for a Great Blue Heron Watershed Education Bench and Workshop.

C-10 Confirm that the Impact Fee Ordinance Controls Over Any Conflicting Ordinances Setting Forth a Water Impact Fee (CM)

In response to Council Member Mounce, Interim City Manager Schwabauer provided an overview of the proposed item regarding water impact fees as outlined in the staff report.

In response to Council Member Mounce, Mr. Schwabauer and Public Works Director Wally Sandelin confirmed that the Reynolds Ranch project paid the original estimated amount because a specifically calculated amount was not available at the time.

In response to Council Member Mounce, Mr. Schwabauer confirmed that the impact fee subject matter will be brought back to the City Council for consideration in the near future.

Council Member Mounce made a motion, second by Council Member Johnson, to confirm that the Impact Fee Ordinance controls over any conflicting ordinances setting forth a water impact fee.

VOTE:
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Hansen, and Mayor Katzakian
Noes: None
Absent: None

C-11 Set Public Hearing for May 7, 2014, to Approve the Final 2014-18 Consolidated Plan for the Community Development Block Grant Program (CD)

Set public hearing for May 7, 2014, to approve the final 2014-18 Consolidated Plan for the Community Development Block Grant Program.

D. Comments by the Public on Non-Agenda Items
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John Slaughterback spoke in regard to his concerns about the City Council allowing public comment that does not fall within the City's jurisdiction specifically as it relates to the comments provided by Vincent Sayles at past City Council meetings.

E. Comments by the City Council Members on Non-Agenda Items

Council Member Johnson stated he recently spoke to the owners of the Rocky Mountain Chocolate Company who indicated that their business, as well as other businesses in downtown, are doing well post-recession.

Council Member Mounce stated she will be participating in Legislative Action Days through the League of California Cities in two weeks and encouraged citizens to contact her if they have concerns they would like her to address on their behalf in Sacramento.

Mayor Pro Tempore Hansen commended General Mills employees on their volunteer efforts at Lodi Lake.

Council Member Nakanishi commended those involved with the Lodi Library's renovation project.

Mayor Katzakian reported on his attendance at the San Joaquin Council of Government's One Voice trip.

F. Comments by the City Manager on Non-Agenda Items

Interim City Manager Schwabauer commended those involved with the Love Lodi event. In response to Council Member Mounce. Mr. Schwabauer stated that, while the Grape Bowl is available for graduation ceremonies, the Lodi Unified School District has chosen to hold its graduations at UOP in the Spanos Stadium due to additional seating availability.

G. Public Hearings - None

H. Communications - None

I. Regular Calendar

I-1 Receive Presentation on the Draft 2014 Regional Transportation Plan/Sustainable Communities Strategy for San Joaquin County by San Joaquin Council of Governments Representatives (CD)

Kim Anderson, representative of San Joaquin Council of Governments (SJCOG), provided a

PowerPoint presentation regarding the 2014 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS). Specific topics of discussion included SJCOG agency overview, roles of SJCOG, vision, intent and components for RTP and SCS, SB 375, land use application, application to the City of Lodi, summary of public input, investment strategy, goals for program, strategies for moving forward, and schedule for process and proposed adoption.

A brief discussion ensued between Mayor Pro Tempore Hansen and Ms. Anderson regarding SB 375, Countywide efforts to meet the mandated requirements, and the process for public participation through hearings in various locations.

In response to Council Member Johnson, Ms. Anderson stated the graphs indicate population growth and the number of households.

In response to Council Member Nakanishi, Ms. Anderson confirmed that Lodi, like a few other communities in the County, did not grow during the housing boom because it had a self-imposed 2% growth limit.

In response to Mayor Pro Tempore Hansen, Ms. Anderson confirmed that some public comment in Lodi reflected too long of a wait at traffic signal lights on Kettleman Lane.

In response to Council Member Nakanishi, Ms. Anderson stated the transportation investment figures for Lodi reflect the projected need numbers from 2012-2040, which represents the life of the plan. A brief discussion ensued regarding local revenue forecast numbers based on future projected transportation needs in the community.

In response to Council Member Nakanishi, Ms. Anderson clarified that while Lodi has grown more slowly it does not mean that Lodi will be receiving less funding.

In response to Council Member Mounce, Ms. Anderson stated the July and August meetings were attended by approximately 12 to 15 people.

J. Ordinances - None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:15 p.m.

ATTEST:

Randi Johl-Olson
City Clerk

EXHIBIT C

LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, APRIL 22, 2014

The April 22, 2014, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Randi Johl-Olson
City Clerk

EXHIBIT D

LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, APRIL 29, 2014

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, April 29, 2014, commencing at 7:00 a.m.

Present: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Katzakian
Absent: Mayor Pro Tempore Hansen
Also Present: Interim City Manager Schwabauer, Interim City Attorney Magdich, and City Clerk Johl-Olson

B. Topic(s)

B-1 Discussion Regarding Visit Lodi! Memorandum of Understanding Renewal (CM)

Deputy City Manager Jordan Ayers provided a brief PowerPoint presentation regarding the Visit Lodi! Memorandum of Understanding (MOU) renewal. Specific topics of discussion included the history of the MOU and funding from previous years.

In response to Council Member Mounce, Mr. Ayers stated that, since the beginning of the contract in 2009/10, the Transient Occupancy Tax (TOT) has increased by over $100,000 as shown on the slide.

In response to Council Member Johnson, Interim City Manager Schwabauer stated the assessments are paid by hotels within the City and hotels located in Flag City.

Discussion ensued among Council Member Mounce, Council Member Nakanishi, and Mr. Schwabauer regarding increasing the TOT to make it more comparable to other communities, options for replacing or offsetting City contribution to Visit Lodi!, the economic development position, and retaining and increasing tourism interest in the area.

Discussion ensued regarding Council Member Johnson and Mr. Schwabauer regarding the challenges associated with attracting industrial and commercial businesses to the community without having access to readily available land and infrastructure.

Nancy Beckman, representing Visit Lodi!, spoke in regard to the history of the partnership between the City and the visitor's bureau, the history of funding provided by the City, and recommended renewing the contract for an additional five-year period.

In response to Council Member Nakanishi, Ms. Beckman stated the current contribution from the City through TOT revenue is $105,963.

In response to Mayor Katzakian, Ms. Beckman confirmed that the annual operating budget for Visit Lodi! is approximately $468,000.

In response to Council Member Nakanishi, Ms. Beckman stated other business improvement districts in comparison have a variety of arrangements including some, partial, or no funding through the City.

In response to Mayor Katzakian, Ms. Beckman stated the funding from the City helps with increased room revenues, TOT revenues, visitor information inquiries, advertising and marketing, group sales, and public relations.

In response to Council Member Mounce, Ms. Beckman confirmed that the Hampton Inn opened in 2008 and the Holiday Inn Express opened in 2009.

Beth Kim, representing the Holiday Inn Express, spoke in regard to the challenges associated with properly communicating the benefits of an increased TOT to the voters and citizens of the community. Ms. Kim indicated her preference for extending the contract while exploring other funding options including increasing the TOT or assessment amounts.

In response to Council Member Nakanishi, Mr. Schwabauer indicated the assessment is approved by the City Council.

Council Member Nakanishi requested information regarding how the increase in sales tax revenue since 2009 correlates with the TOT numbers since 2009.

In response to Council Member Johnson, Mr. Schwabauer indicated that next year's proposed budget incorporates the terms of the existing agreement already and he is planning on bringing the item back for final discussion and approval before budget adoption.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:50 a.m.

ATTEST:

Randi Johl-Olson
City Clerk

AGENDA ITEM C-03

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Specifications and Authorize Advertisement for Bids for 2014/15 Asphalt Materials

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve specifications and authorize advertisement for bids 2014/15 asphalt materials.

BACKGROUND INFORMATION: The asphalt materials purchase is needed to carry out preventive street maintenance and repairs. In the past few years, due to budget shortfalls, the street maintenance program did not include a thin overlay program but only purchased materials needed for localized repairs.

The amount of asphalt requested for Fiscal Year 2014/15 (1,100 tons) will be an increase from the previous year to accommodate localized repair, thin overlays, and asphalt sidewalk patching needs.

The specifications are on file in the Public Works Department. The project estimate is $90,000. The planned bid opening date is May 28, 2014.

FISCAL IMPACT: Preventive maintenance will extend the useful life of our streets and reduce future street reconstruction costs.

FUNDING AVAILABLE: Funding will be identified at contract award.

F. Wally Sandelin
Public Works Director

Prepared by Sean Nathan, Associate Civil Engineer
FWS/SN/pmf
cc: Deputy Public Works Director – Utilities

APPROVED: _____
Stephen Schwabauer, Interim City Manager

AGENDA ITEM C-04

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Specifications and Authorize Advertisement for Bids to Procure Equipment for Phase II.I Mobile Inspection/Reporting and Integration for the Electric Utility's Geographical Information System

MEETING DATE: May 7, 2014

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Approve specifications and authorize advertisement for bids to procure equipment for Phase II.I Mobile Inspection/Reporting and Integration for the Electric Utility's Geographical Information System.

BACKGROUND INFORMATION: The Electric Utility (EU) is continuing the multi-phase project with Environmental Systems Research Institute, Inc. (ESRI) for the Electric Utility's (EU) geographical information system (GIS). As part of the next phase, staff recommends the purchase of mobile inspection/reporting equipment that will provide essential tools for a more effective, time- and cost-saving manner to complete mandated inspection cycles of the electric system. This equipment will automate the inspection process by EU crews in the field with a rugged, user-friendly tablet device.

In order to enable the mobile solutions implementation, staff undertook an extensive process to research and evaluate various devices in order to determine the best option for electric utility field crews. As a result, staff recommends advertisement for bids to procure nine rugged tablets and their associated accessories in accordance with the specifications on file at the Electric Utility Department, 1331 South Ham Lane. The planned bid opening date is May 22, 2014. The purchase of the software required to operate the tablets in the subject of another proposed council action in this meeting's agenda.

FISCAL IMPACT: Estimated cost is $40,750, with time- and cost- savings realized by enabling staff to more quickly identify and resolve system reliability issues.

FUNDING AVAILABLE: Included in FY2013/14 Account Number 160612.7359.

Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Carl Wohl, Electrical Drafting Technician

EAK/JM/CW/LST

APPROVED: _____
Stephen Schwabauer, Interim City Manager

AGENDA ITEM C-05

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolutions Approving the Purchase of GO! Sync Mobile Software ($13,755) and Authorizing the City Manager to Execute a Professional Services Agreement for Software Implementation and Training Services ($18,000) with TC Technology of Carlsbad, for Phase II.I Integration of the Electric Utility's Geographical Information System

MEETING DATE: May 7, 2014

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt resolutions approving the purchase of GO! Sync Mobile Software in an amount not to exceed $13,755 and authorizing the City Manager to execute a professional services agreement for software implementation and training services in an amount not to exceed $18,000 with TC Technology of Carlsbad, for Phase II.I integration of the Electric Utility's geographical information system.

BACKGROUND INFORMATION: The Electric Utility (EU) is continuing the multi-phase project with Environmental Systems Research Institute, Inc. (ESRI) for the geographical information system (GIS). As part of the next phase, staff recommends the purchase of a mobile inspection/reporting software to provide time and cost savings for regulatory mandated inspection cycles of the electric system by automating the inspection processes.

In order to enable the mobile solutions implementation, staff undertook an extensive process to research and evaluate potential software solutions. As a result, staff has determined that GO! Sync Mobile Software from TC Technology will address EU's needs and is the product predominantly being used by other public power utilities nationwide for the purpose of automating their system inspection processes, enhancing the data collection from inspections, and integrating that information into a GIS system. TC Technology has provided a quote of $13,755 for the software and $18,000 for implementation and training services, as shown on the attached exhibits.

The bidding process for this software purchase and associated services may be dispensed per Lodi Municipal Code 3.20.075 Professional/technical services contracts, 8. Computer consulting services.

Staff recommends the City Council approve the purchase of GO! Sync Mobile Software and authorize the City Manager to execute a professional services agreement with TC Technology of Carlsbad, for Phase II.I mobile inspection/reporting and integration of the EU's GIS.

FISCAL IMPACT: Implementation of mobile inspection/reporting software will provide cost savings through improved operational efficiency of the electrical distribution system, increased safety, and create a more reliable electric system by mitigating electrical outages.

APPROVED: _____

Stephen Schwabauer, Interim City Manager

FUNDING AVAILABLE: Included in FY 2013/14 Budget Account Numbers 160612.7313 and 160612.7323.

_____
Jordan Ayers
Deputy City Manager/Internal Services Director

_____
Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Carl Wohl, Electrical Drafting Technician

EAK/JM/CW/lst

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on , 20 , by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and Tadpole Cartesia, Inc. doing business as TC Technology (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for providing Mobile Inspection/Reporting Software Implementation Services and Training (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be

counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on May 7, 2014 and terminates upon the completion of the Scope of Services or on December 31, 2014, whichever occurs first.

ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910
Attn: Carl Wohl, Electrical Drafting Tech

To CONTRACTOR: TC Technology
2231 Faraday Avenue, Suite 140
Carlsbad, CA 92008
Jason Linley, President

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's

fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.15 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.16 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.17 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.18 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

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Section 4.19 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

RANDI JOHL-OLSON
City Clerk

STEPHEN SCHWABAUER
Interim City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, Interim City Attorney

By: _____

TADPOLE CARTESIA, INC.(TC Technology)

By: _____
Name: JASON LINLEY
Title: President

Attachments:
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements

Funding Source: **160612.7323**
(Business Unit & Account No.)

Doc ID:

CA:Rev.03.2014

EXHIBIT A & B

TC Technology
Carlsbad, CA 92008
Phone: (760) 929 8345
Fax: (760) 692 0484

QUOTATION #: LE_042214_SERVICES

DATE: April 22, 2014

CUSTOMER: Lodi Electric Utility
1331 South Ham Lane
Lodi, CA 95242

CONTACT: Carl Wohl

PHONE: (209) 333 6800 x2547

Product Code	Description	Price	QTY	Extended
Standard Implementation Services				
PS_STD_IE	GO! Sync Mobile GIS Standard Implementation Services (Mapbook, Inspection and Sketching)	$12,000.00	1	$12,000.00
PS_STD_PE	Patrol Inspection Standard Implementation Services	$ 4,500.00	1	$ 4,500.00
Training Options				
PS_TRN_USER	GO! Sync Mobile GIS End-User Training (Agreed to 10 per class) (Onsite or remote training class – travel expenses not included in price)	$ 1,500.00	1	$ 1,500.00
			TOTAL	$18,000.00

1. Quote valid for 60 days
2. All prices are quoted in US Dollars and are subject to change without notice.
3. Standard Implementation includes configuration of up to 5 inspections.
4. Applicable travel, shipping charges and taxes will be billed at cost.

This Quotation is made in confidence of your review. It may not be disclosed to third parties, except as required by law.

Quoted By: Carrie Turner
Email: carrie.turner@tctechnology.com

Account Manager: Carrie Turner
Email: carrie.turner@tctechnology.com

EXHIBIT C

Insurance Requirements for Consultant The Consultant shall take out and maintain during the life of this Agreement, insurance coverage as listed below. These insurance policies shall protect Consultant and any subcontractor performing work covered by this Agreement from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Consultant's operations under this Agreement, whether such operations be by Consultant, or by any subcontractor, or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. COMPREHENSIVE GENERAL LIABILITY
   $1,000,000 Each Occurrence
   $2,000,000 Aggregate

2. COMPREHENSIVE AUTOMOBILE LIABILITY
   Proof of coverage with limits not less than $1,000,000 combined single limit
   Such insurance shall cover liability arising out of any vehicle (including, owned, hired and non-hired vehicles) operated in performing any and all services pursuant to this Agreement. Coverage shall be written on ISO form CA 00 01 12 90, or a later version of this form, or an equivalent form providing equivalent liability coverage.

3. PROFESSIONAL LIABILITY / ERRORS AND OMISSIONS
   Not less than $1,000,000 per claim

All limits are to be designated strictly for the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. All deductibles or self-insured retentions (SIR) must be disclosed to City's Risk Manager for approval and shall not reduce the limits of liability set forth hereinabove. Insurance policies containing any deductible or SIR provision shall provide, or be endorsed to provide, that the deductible or SIR may be satisfied by either the Named Insured(s) or the City of Lodi.

It is required that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth above, shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (i) the minimum coverage and limits specified in these insurance requirements; or (ii) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Consultant; whichever is greater.

Consultant agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

A copy of the certificate(s) of insurance with the following endorsements shall be furnished to the City:

(a) Additional Named Insured Endorsement
   Pursuant to a separate endorsement (ISO form CG 2010 (11/85) or equivalent form) such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers as additional named insureds.

(b) Primary and Non-Contributory Insurance Endorsement
   Additional insurance coverage under the Consultant's policy shall be "primary and non-contributory" and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as ISO form CG 20 01 04 13.

   NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

Insurance Requirements for Consultant (continued)

(c) Limits of Coverage
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance of Consultant shall contain, or be endorsed to contain, a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect the City as a named insured.

(d) Completed Operations Endorsement
For three years after completion of project, a certificate of insurance with a Completed Operations Endorsement, CG 20 37 07 04, will be provided to the City of Lodi.

(e) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

(f) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

(g) Continuity of Coverage
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Consultant shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Consultant shall provide proof of continuing insurance on at least an annual basis during the Term. If Consultant's insurance lapses or is discontinued for any reason, Consultant shall immediately notify the City and immediately obtain replacement insurance.

(h) Failure to Comply
If Consultant fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Consultant shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Consultant of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Consultant shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding and other provision of this Agreement, if Consultant fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Consultant shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(i) Qualified Insurer(s)
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

Workers Compensation Insurance The Consultant shall take out and maintain during the life of this Agreement, Worker's Compensation Insurance for all of Consultant's employees employed at the site of the project and, if any work is sublet, Consultant shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Consultant. In case any class of employees engaged in hazardous work under this Agreement at the site of the project is not protected under the Worker's Compensation Statute, the Consultant shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. A waiver of subrogation is required for workers compensation insurance. This policy may not be canceled nor the coverage reduced without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

NOTE: The City reserves the right to obtain a full certified copy of any insurance policy or endorsements required. Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.

EXHIBIT D

TC Technology
Carlsbad, CA 92008
Phone: (760) 929 8345
Fax: (760) 692 0484

QUOTATION #: LE_042214_LICENSES

DATE: April 22, 2014

CUSTOMER: Lodi Electric Utility
1331 South Ham Lane
Lodi, CA 95242

CONTACT: Carl Wohl

PHONE: (209) 333 6800 x2547

Product Code	Description	Price	QTY	Extended
Licenses				
GS_MBE_IE	GO! Sync Mapbook with Inspection and Sketching extension with embedded ArcGIS Engine (Client)	$ 1,195.00	9	$10,755.00
GS_MGS	GO! Sync Server (includes Inspection and Sketching Server)	$ 3,000.00	1	$ 3,000.00
			TOTAL	$13,755.00

1. Quote valid for 60 days
2. All prices are quoted in US Dollars and are subject to change without notice.
3. All software quotes are inclusive of complimentary support and maintenance for the first 12 months. Eligibility for support and maintenance beyond the first 12 months requires additional subscription fees.
4. GO! Sync Mapbook requires ArcGIS Engine (embedded option included in quote above)
5. MIMS Server (previously known as GO! Sync Mobile GIS Server) requires either Esri ArcGIS Editor or ArcGIS Engine with Geodatabase Update Extension (embedded option NOT included in quote above).
6. GO! Sync Standard Remote Implementation Services estimated; scope adjustment could alter estimate.

This Quotation is made in confidence of your review. It may not be disclosed to third parties, except as required by law.

Quoted By: Carrie Turner
Email: carrie.turner@tctechnology.com

Account Manager: Carrie Turner
Email: carrie.turner@tctechnology.com

END USER SOFTWARE LICENSE AGREEMENT and TERMS OF SERVICE AGREEMENT

THIS SOFTWARE LICENSE and SERVICE AGREEMENT

is made by and between

CITY OF LODI
P.O. Box 3006
Lodi CA 95241-1910
(hereinafter referred to as 'LICENSEE')

AND

Tadpole Cartesia, Inc.
doing business as TC Technology
with principal place of business at
2231 Faraday Avenue Suite 140
Carlsbad, CA, 92008, U.S.A.
(hereinafter referred to as 'LICENSOR').

Agreement Number: LE_042214_SERVICES

1. Definitions applicable to this license

1.1 LICENSED SOFTWARE: refers singularly and/or collectively to computer programs provided by the LICENSOR (not including 3rd party software) and shall include any improvements modifications or developments provided by the LICENSOR under the terms of this Agreement.

1.2 OBJECT CODE: means the compiled form of the LICENSED SOFTWARE.

1.3 SOURCE CODE: means textual source form of the LICENSED SOFTWARE.

1.4 PROGRAM DOCUMENTATION: means any material or documentation relating to the LICENSED SOFTWARE provided by the LICENSOR.

1.5 SECURITY DEVICE: A software license manager that may be supplied with the program. When the LICENSED SOFTWARE includes the requirement to use a SECURITY DEVICE, the program will run only when the SECURITY DEVICE is correctly used and all references to the LICENSED SOFTWARE herein shall include and assume use of the SECURITY DEVICE

1.6 A DEFECT is defined as a failure to perform any function specified in the current published documentation of the LICENSED SOFTWARE. A limitation in performance shall not be construed as a DEFECT.

2. Term

This Agreement shall be effective from the date of installation of LICENSED SOFTWARE and shall remain in force indefinitely unless issued for a fixed period.

3. Software License

3.1 Right to Use: In consideration of the payment of an annual license fee by the LICENSEE to the LICENSOR as provided in this agreement, LICENSOR grants to LICENSEE, a non-exclusive, right to use the LICENSED SOFTWARE and the PROGRAM DOCUMENTATION for a one year period subject to the terms and conditions herein. The license is for use throughout the LICENSEE's organization.

3.2 Use of the LICENSED SOFTWARE obligates LICENSEE to pay a mandatory annual update fee and failure to pay the mandatory annual update fee results in termination of the right to use the LICENSED SOFTWARE. Refer to paragraph 7.4 for the effects of termination of Software.

3.2 Title: Title, copyright and all other proprietary rights in the LICENSED SOFTWARE, manuals and all parts and copies thereof shall remain vested in the LICENSOR. No ownership of the LICENSED SOFTWARE is transferred to the LICENSEE.

3.3 No Transfer: The program may not be transferred, assigned, rented, leased, sold or otherwise disposed of or made available except as expressly provided herein.

3.4 Number of Users: The LICENSE granted under this Agreement authorizes the LICENSEE to use, subject to the obligations of confidence set forth in this Agreement, and to permit others to use in accordance with the provisions of paragraph 3.7 of this Clause of the LICENSED SOFTWARE for users within the LICENSEE'S organization.

3.5 No Reverse Engineering: The right to reverse engineer or disassemble the LICENSED SOFTWARE (which is provided in OBJECT CODE format only) is specifically excluded, except to the extent that such exclusion is not permitted under the law of the country of authorized use. LICENSEE will do nothing to dis-enable any SECURITY DEVICE.

3.6 Limited Right to Copy: The LICENSEE may copy the LICENSED SOFTWARE for the purpose of making back-up copies of the LICENSED SOFTWARE supplied under this Agreement. Software may not be copied for the purpose of error correction.

3.7 Third Party Access: The LICENSEE may grant access to the LICENSED SOFTWARE to consultants and contractors acting on behalf of LICENSEE who agree to substantially similar obligations and conditions of confidence as those binding the LICENSEE under this Agreement.

3.8 No Derivative Works: The LICENSEE may not create derivative works based on the LICENSED SOFTWARE and PROGRAM DOCUMENTATION without the written consent of the LICENSOR.

3.9 Documentation: The LICENSEE will hold the LICENSED SOFTWARE and PROGRAM DOCUMENTATION in confidence. The foregoing obligation of confidence will not apply to information in the public domain or information derived or received by the LICENSEE independently of this Agreement.

3.10 Audit Right: Promptly on request, LICENSEE will permit LICENSOR to have access to LICENSEE systems and to use software tools on LICENSEE's systems to ensure LICENSEE is using its software in accordance with its license terms

4. Warranty

4.1 Warranty: The LICENSOR warrants that for a period of ninety (90) days from delivery the LICENSED SOFTWARE shall perform substantially in accordance with the published specification of the LICENSED SOFTWARE, current at the time of delivery. Further, the LICENSOR warrants that use of the LICENSED SOFTWARE by the LICENSEE will not infringe any copyright, trade secret or proprietary interest of any third party.

4.2 Warranty Exclusions: **THE LICENSOR DOES NOT WARRANT THAT THE FUNCTIONS OF THE SOFTWARE WILL MEET THE LICENSEE'S REQUIREMENTS OR THAT THE OPERATION OF THE SOFTWARE WILL BE ENTIRELY ERROR-FREE OR THAT ALL PROGRAM DEFECTS ARE CAPABLE OF CORRECTION OR IMPROVEMENT. ALL OTHER WARRANTIES INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, MERCHANTABLE QUALITY, SATISFACTORY QUALITY AND FITNESS FOR PURPOSE OR ABILITY TO ACHIEVE A PARTICULAR RESULT ARE HEREBY EXCLUDED. IN THE ABSENCE OF FRAUD, NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY THE LICENSOR OR ITS AGENTS, DISTRIBUTORS, OR DEALERS SHALL CREATE A WARRANTOR GIVE RISE TO ANY OTHER LIABILITY OTHER THAN IS GIVEN IN THIS AGREEMENT. LICENSEE'S STATUTORY RIGHTS AS A CONSUMER (IF ANY) ARE NOT AFFECTED BY THESE TERMS AND CONDITIONS.**

5. Maintenance and Support

5.1 Service: Subject to the terms and conditions herein the LICENSOR agrees to provide the Maintenance and Support Service as described below for the LICENSED SOFTWARE provided that the annual license fee for the period has been fully paid.

5.2 Service Description: The Maintenance and Support Service to be provided by the LICENSOR is as follows:

5.2.1 The Maintenance and Support Service support shall be provided by the LICENSOR and its agents designated as qualified for the purpose by telephone, mail, E-mail or fax during normal working hours (local time) of the LICENSOR or its agents on Mondays to Fridays. The LICENSOR'S normal working hours are 8.00 am to 6.00 p.m., United States Pacific time, from Monday to Friday but excluding public holidays.

5.2.2 The correction of detected defects in the LICENSED SOFTWARE.

5.2.3 The incorporation of improvements to the LICENSED SOFTWARE, together with supporting documentation, which are or will be part of the LICENSED SOFTWARE itself and not part of separately identifiable tasks, modules or packages to be licensed under separate agreements.

5.2.4 The LICENSOR will use reasonable endeavors to deal promptly with DEFECTS in the LICENSED SOFTWARE by making available its personnel.

5.2.5 When the LICENSEE requests support on site, agreed travel, accommodation and subsistence expenses incurred by personnel working away from the LICENSOR'S offices in the execution of these obligations shall be for the LICENSEE'S account and shall be payable within thirty (30) days of invoicing of the LICENSEE by the LICENSOR at the invoice address set forth herein.

5.2.6 Updates or replacements of the technical manuals relating to the LICENSED SOFTWARE will be forwarded to the LICENSEE as they become available, at the agreed costs of reproduction and postage. Obligations of confidence set forth above apply to such updates.

6. Liability

6.1 Personal Injury & Death: LICENSOR will indemnify LICENSEE for personal injury or death caused by the negligence of its employees in connection with the performance of their duties hereunder, or by defects in any product supplied pursuant to this Agreement.

6.2 Tangible Property: LICENSOR will indemnify LICENSEE for direct damage to tangible property caused by the negligence of its employees in connection with the performance of their duties hereunder, or by defects in any product supplied pursuant to this Agreement. LICENSOR'S TOTAL LIABILITY UNDER THIS CLAUSE SHALL BE LIMITED TO ONE MILLION DOLLARS FOR ANY ONE EVENT OR SERIES OF CONNECTED EVENTS.

6.3 Delay: While LICENSOR shall use reasonable commercial efforts to meet delivery times, LICENSEE's only remedy for unreasonable delay in delivery will be the right to terminate this Agreement after service of notice of breach as set out below, plus a refund of any fees paid by LICENSEE for no benefit.

6.4 Other Exclusions: **SAVE IN RESPECT OF CLAIMS FOR DEATH OR PERSONAL INJURY ARISING FROM LICENSOR'S NEGLIGENCE, IN NO EVENT WILL LICENSOR BE LIABLE FOR ANY DAMAGES RESULTING FROM LOSS OF DATA OR USE, LOST PROFITS, LOSS OF ANTICIPATED SAVINGS, NOR FOR ANY DAMAGES THAT ARE AN INDIRECT OR SECONDARY CONSEQUENCE OF ANY ACT OR OMISSION OF LICENSOR, WHETHER SUCH DAMAGES WERE REASONABLY FORESEEABLE OR ACTUALLY FORESEEN.**

6.5 Maximum Liability: **EXCEPT AS PROVIDED ABOVE IN THE CASE OF PERSONAL INJURY, DEATH, AND DAMAGE TO TANGIBLE PROPERTY, LICENSOR'S MAXIMUM LIABILITY TO LICENSEE FOR ANY CAUSE WHATSOEVER (WHETHER IN THE FORM OF THE ADDITIONAL COST OF REMEDIAL SERVICES OR OTHERWISE) WILL BE FOR DIRECT COSTS AND DAMAGES ONLY, AND WILL BE LIMITED TO A SUM EQUIVALENT TO THE PRICE PAID TO LICENSOR FOR THE PRODUCTS OR SERVICES THAT ARE THE SUBJECT OF LICENSEE'S CLAIM, PLUS DAMAGES LIMITED TO TWENTY-FIVE PER CENT (25%) OF THE SAME AMOUNT FOR ANY ADDITIONAL COSTS DIRECTLY, REASONABLY AND NECESSARILY INCURRED BY LICENSEE IN OBTAINING ALTERNATIVE PRODUCTS AND/OR SERVICES.**

6.6 General: LICENSEE's statutory rights as a consumer (if any) are not affected. All liability that is not expressly assumed in this Agreement is hereby excluded. These limitations will apply regardless of the form of action, whether under statute, in contract, tort, including negligence, or any other form of action. For the purposes of this Clause, "LICENSOR" includes its employees, sub-contractors and suppliers. LICENSEE acknowledges that LICENSOR has been appointed as the agent of its employees, sub-contractors and suppliers to agree the provisions of this on their behalf.

7. Termination

7.1 Routine Termination: The LICENSEE and the LICENSOR shall each have the right to terminate this License and Agreement and / or the Maintenance and Support Service subject to the terms of this Agreement without prejudice to the other rights and obligations of this Agreement.

7.2 Termination for Non-Payment of Fees: The LICENSOR shall have the right to terminate the annual license if the current annual license fee has not been received by the LICENSOR within thirty days after the expiry of the previous annual period.

7.3 Termination for Breach: The LICENSOR shall have the right to terminate this License and Agreement in the event of the LICENSEE'S breach of copyright or other terms thereof provided the LICENSOR has given the LICENSEE not less than thirty days prior written notice of breach and the LICENSEE shall have failed to remedy the same.

7.4 Consequences of Termination: In the event of termination of this License and Agreement, the LICENSED SOFTWARE and PROGRAM DOCUMENTATION shall be returned immediately to the LICENSOR, and all copies of the LICENSED SOFTWARE shall be erased from the computer system and its back-up media. The LICENSEE shall confirm within thirty (30) days in writing that all copies and the operational copy of the LICENSED SOFTWARE have been erased or are in process of return to the LICENSOR. The expiry of this Agreement or the termination thereof for whatever reasons shall be without prejudice to the respective rights and liabilities of either of the parties accrued prior to such termination.

8. Confidential Information of LICENSEE

8.1 All information relating to the LICENSEE and the LICENSEE'S operations, including information relating to third parties which is made available to the LICENSOR in connection with this License and Agreement, shall be held strictly confidential by the LICENSOR notwithstanding termination of the License and Agreement. The foregoing obligation of confidence will not apply to information in the public domain or information derived or received by the LICENSOR independently of this License and Agreement.

8.2 The LICENSOR will not use the name of the LICENSEE in connection with any advertising nor any publication without LICENSEE'S prior written consent.

9. Confidential Information of LICENSOR

All information relating to the LICENSOR and the LICENSOR'S operations, including but not limited to SOURCE CODE and PROGRAM DOCUMENTATION which is made available to the LICENSEE in connection with this License and Agreement, shall be held strictly confidential by the LICENSEE notwithstanding termination of the License and Agreement. The foregoing obligation of confidence will not apply to information in the public domain or information derived or received by the LICENSEE independently of this License and Agreement.

10. Construction and Applicable Law

10.1 Law & Disputes: This Agreement shall be governed and construed in accordance with the laws of the state of California and any actions seeking to enforce the terms and conditions of this Agreement or any claim for damages arising from a breach of this Agreement shall be filed in California save that Licensor shall have the right at its absolute discretion to initiate proceedings to recover sums owing to it and/or to enforce its intellectual property rights in the courts of any jurisdiction in which its Licensee carries on business, in which assets of Licensee are located, or, in which Licensor's software is used. If either party shall invoke legal proceedings, of any nature, to enforce the terms and conditions of this Agreement, or to impose a claim for damages against a breaching party, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

10.2 Headings: The headings of Clauses in this License and Agreement are included herein for convenience and shall not be considered in construing this License and Agreement.

10.3 Severability: In the event that any of these terms, conditions, or provisions shall be determined invalid, unlawful, or unenforceable to any extent, such term, condition, or provision shall be severed from the remaining terms, conditions, or provisions which shall continue to be valid to the fullest extent permitted by law.

11. Notices

Any notice given hereunder shall be deemed to have been sufficiently served if sent in writing by prepaid certified mail or communicated by fax addressed to the last known address of the addressee and the same shall be deemed to have been served when in the ordinary course of transmission it would have been received.

12. Miscellaneous:

12.1 Force Majeure: LICENSOR is not responsible for delay or failure to perform due to causes beyond its reasonable control, including but not limited to, fire, flood, act of God or insolvency of subcontractors or suppliers or inability to obtain products, licenses or services from third party suppliers.

12.2 Waiver: No waiver by either party of any term hereof shall constitute a waiver of any such term in any other case whether prior or subsequent thereto.

12.3 Amendment: This Agreement shall not be modified or amended except by agreement in writing by an authorized representative of each of the parties.

Schedule A

This Schedule is attached to and becomes, upon execution by both parties below, a part of the Software License and Maintenance Agreement Number LE_042214_SERVICES between the parties and sets forth the specific terms and conditions relating to the Licenses Software listed below. This replaces any previous Schedule A attached to the above Agreement.

Effective Date: May 7, 2014

Invoice Address	Installation Address
Company Name: CITY OF LODI - EU	Company Name: CITY OF LODI - EU
Street Address: PO BOX 3006	Street Address: 1331 S. Ham Lane Lodi, CA 95242
Attention: Carl Wohl	Attention: Carl Wohl

Product Name	Qty.	Unit Price	Extended Price
GO! Sync Mobile GIS Standard Implementation Services (Mapbook, Inspection and Sketching)	1	$12,000.00	$12,000.00
Patrol Inspection Standard Implementation Services	1	$4,500.00	$4,5000.00
GO! Sync Mobile GIS End-User Training (Agreed to 10 per class) (Onsite or remote training class-travel expenses not included in price)	1	$1,500.00	$1,5000.00
		Total	**$18,000.00**

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the Effective Date.

CITY OF LODI, a municipal corporation

By: _____
Stephen Schwabauer, Interim City ~~Attorney~~ Manager

APPROVED AS TO FORM
Janice D. Magdich, Interim City Attorney:

By:_____

ATTEST

By:_____
Randi Johl-Olson
City Clerk

ATTEST

Tadpole Cartesia, Inc.

By:_____
Jason Linley, President

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE PURCHASE OF GO! SYNC MOBILE SOFTWARE WITH TC TECHNOLOGY OF CARLSBAD, FOR PHASE II.I INTEGRATION OF THE ELECTRIC UTILITY'S GEOGRAPHICAL INFORMATION SYSTEM

==========

WHEREAS, the Electric Utility (EU) is continuing the multi-phase project with Environmental Systems Research Institute, Inc. (ESRI) for the geographical information system (GIS); and

WHEREAS, as part of the next phase, staff recommends the purchase of a mobile inspection/reporting software to provide time and cost savings for regulatory mandated inspection cycles of the electric system by automating the inspection processes; and

WHEREAS, in order to enable the mobile solutions implementation, staff undertook an extensive process to research and evaluate potential software solutions, and determined that GO! Sync Mobile Software from TC Technology will address EU's needs and is the product predominantly being used by other public power utilities nationwide for the purpose of automating their system inspection processes, enhancing the data collection from inspections, and integrating that information into a GIS system; and

WHEREAS, TC Technology has provided a quote of $13,755 for the software and $18,000 for implementation and training services, as shown on the attached exhibits; and

WHEREAS, the bidding process for this software purchase and associated services may be dispensed per Lodi Municipal Code 3.20.075 Professional/technical services contracts, 8. Computer consulting services; and

WHEREAS, implementation of mobile inspection/reporting software will provide cost savings through improved operational efficiency of the electrical distribution system, increased safety, and create a more reliable electric system by mitigating electrical outages; and

WHEREAS, funding is included in FY 2013/14 Budget Account No. 160612.7313; and

WHEREAS, staff recommends the City Council approve the purchase of GO! Sync Mobile Software from TC Technology of Carlsbad, for Phase II.I mobile inspection/reporting and integration of the EU's GIS.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the purchase of GO! Sync Mobile Software from TC Technology of Carlsbad for Phase II.I mobile inspections/reporting and integration of the Electric Utility's geographical information system in an amount not to exceed $13,755.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TC TECHNOLOGY OF CARLSBAD, FOR SOFTWARE IMPLEMENTATION AND TRAINING SERVICES FOR PHASE II.I INTEGRATION OF THE ELECTRIC UTILITY'S GEOGRAPHICAL INFORMATION SYSTEM

==========

WHEREAS, the Electric Utility (EU) is continuing the multi-phase project with Environmental Systems Research Institute, Inc. (ESRI) for the geographical information system (GIS); and

WHEREAS, as part of the next phase, staff recommends the purchase of a mobile inspection/reporting software to provide time and cost savings for regulatory mandated inspection cycles of the electric system by automating the inspection processes; and

WHEREAS, in order to enable the mobile solutions implementation, staff undertook an extensive process to research and evaluate potential software solutions, and determined that GO! Sync Mobile Software from TC Technology will address EU's needs and is the product predominantly being used by other public power utilities nationwide for the purpose of automating their system inspection processes, enhancing the data collection from inspections, and integrating that information into a GIS system; and

WHEREAS, TC Technology has provided a quote of $13,755 for the software and $18,000 for implementation and training services, as shown on the attached exhibits; and

WHEREAS, the bidding process for this software purchase and associated services may be dispensed per Lodi Municipal Code 3.20.075 Professional/technical services contracts, 8. Computer consulting services; and

WHEREAS, implementation of mobile inspection/reporting software will provide cost savings through improved operational efficiency of the electrical distribution system, increased safety, and create a more reliable electric system by mitigating electrical outages; and

WHEREAS, funding is included in FY 2013/14 Budget Account No. 160612.7323; and

WHEREAS, staff recommends the City Council authorize the City Manager to execute a Professional Services Agreement with TC Technology of Carlsbad, for Phase II.I mobile inspection/reporting and integration of the EU's GIS.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with TC Technology of Carlsbad, for Phase II.I mobile inspections/reporting and integration of the Electric Utility's geographical information system in an amount not to exceed $18,000.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-06

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving Purchase of Transit Fare Collection Equipment from Sole Source GFI GenFare, of Elk Grove Village, IL ($38,938)

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution approving purchase of transit fare collection equipment from sole source GFI GenFare, of Elk Grove Village, IL, in the amount of $38,938.

BACKGROUND INFORMATION: The City of Lodi has recently received Proposition 1B funds from Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) for the purchase and installation of automated fare box equipment. Since automated fare boxes have been installed on all the transit fleet vehicles, City staff recommends purchasing retrofit parts and reusing the majority of the existing fare box equipment in the new buses. The retrofit parts include shorter fare box pedestals and cashboxes to properly fit the 13 replacement buses approved by Council on April 16, 2014. The proposed parts cost approximately $3,000 versus $12,500 for a new fare box.

Since 2010, automated fare boxes have been installed on all revenue-generating transit fleet vehicles. Fare collection has increased with the automated fare box installations since the drivers have a mechanism to verify collected funds.

In September 2011, City Council adopted a resolution approving the standardization of the GFI GenFare fare box equipment and waiving the formal bidding process. City fleet staff will perform the removal, retrofitting, and installation of the fare box equipment.

FISCAL IMPACT: Purchase of the transit fare collection equipment will provide accountability of passenger revenue.

FUNDING AVAILABLE: FY 2013/14 Capital Equipment Purchase (125290)

_____
Jordan Ayers
Deputy City Manager/Internal Services Director

_____
F. Wally Sandelin
Public Works Director

Prepared by Paula Fernandez, Transportation Manager/Senior Traffic Engineer
FWS/PJF/pmf
cc: MV General Manager Jeff Kohlhepp
SJCOG Anthony Zepeda
Transportation Manager
Deputy Public Works Director/City Engineer

APPROVED: _____
Stephen Schwabauer, Interim City Manager

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING PURCHASE OF TRANSIT FARE
COLLECTION EQUIPMENT FROM SOLE SOURCE GFI
GENFARE, OF ELK GROVE VILLAGE, ILLINOIS

==========

WHEREAS, the City of Lodi has recently received Proposition 1B funds from Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) for the purchase and installation of automated fare box equipment; and

WHEREAS, since automated fare boxes have been installed on all the transit fleet vehicles, City staff recommends purchasing retrofit parts and reusing the majority of the existing fare box equipment in the new buses recently approved for purchase. The proposed parts cost approximately $3,000 versus $12,500 for new fare boxes; and

WHEREAS, in September 2011, City Council adopted a resolution approving the standardization of the GFI GenFare fare box equipment and waiving the formal bidding process.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the purchase of transit fare collection equipment from the sole source GFI GenFare, of Elk Grove Village, Illinois, in the amount of $38,938.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-07

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Awarding Contract for ADA Improvement Project Phase 3 – Church Street Parking Lots to MCI Engineering, of Stockton ($278,926.32) and Appropriating Funds ($47,000)

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution awarding contract for ADA Improvement Project Phase 3 – Church Street Parking Lots to MCI Engineering, of Stockton, in the amount of $278,926.32, and appropriating funds in the amount of $47,000.

BACKGROUND INFORMATION: The project consists of reconstructing two City parking lots located at 10 and 30 South Church Street (32,000 square feet) with asphalt concrete pavement, installation of disabled access parking stalls, replacing 19 trees, and other incidental and related work, all as shown on the plans and specifications for the project. The improvements are shown on Exhibit A.

The existing parking lots are in poor condition, with uneven pavement and concrete walkways damaged primarily by overgrown tree roots inside the parking area. The surface damage poses a tripping hazard for pedestrians and impacts ADA access.

The existing trees will be removed and replaced by Chinese Pistachio tree. Chinese Pistachio has a large canopy and fewer surface root issues, making it suitable for parking lot planting. New drought-tolerant plants will be planted in the landscape area to improve esthetics.

New energy-efficient LED lighting, funded through the City's Public Benefit Fund, will be installed to reduce energy costs and to provide improved security.

Three new ADA-compliant parking stalls will be constructed, in addition to repairing damaged sidewalk on Church Street. The improvements, which will improve ADA access and reduce trip hazards, are consistent with the City-Wide ADA Transition Plan (February 2011).

Plans and specifications for this project were approved on March 5, 2014. The City received the following seven bids for this project on April 10, 2014. MCI Engineering has signed the required Local Hire forms and will conform to the requirements.

Bidder	Location	Bid
Engineer's Estimate		$ 254,995.50
MCI Engineering	Stockton	$ 278,926.32
A.M. Stephens Construction	Lodi	$ 288,186.78
Robert Burns Construction	Stockton	$ 294,412.10
Martin General Engineering	Rancho Cordova	$ 310,579.55
George Reed, Inc.	Modesto	$ 321,244.00
American Asphalt	Hayward	$ 327,404.00
California Pavement Maintenance	Sacramento	$ 368,985.52

APPROVED: _____

Stephen Schwabauer, Interim City Manager

The project total of $348,000 covers the contract, engineering, inspection and project contingencies.

FISCAL IMPACT: The proposed improvements will decrease maintenance and lighting costs, and reduce the City's exposure to trip-and-fall claims.

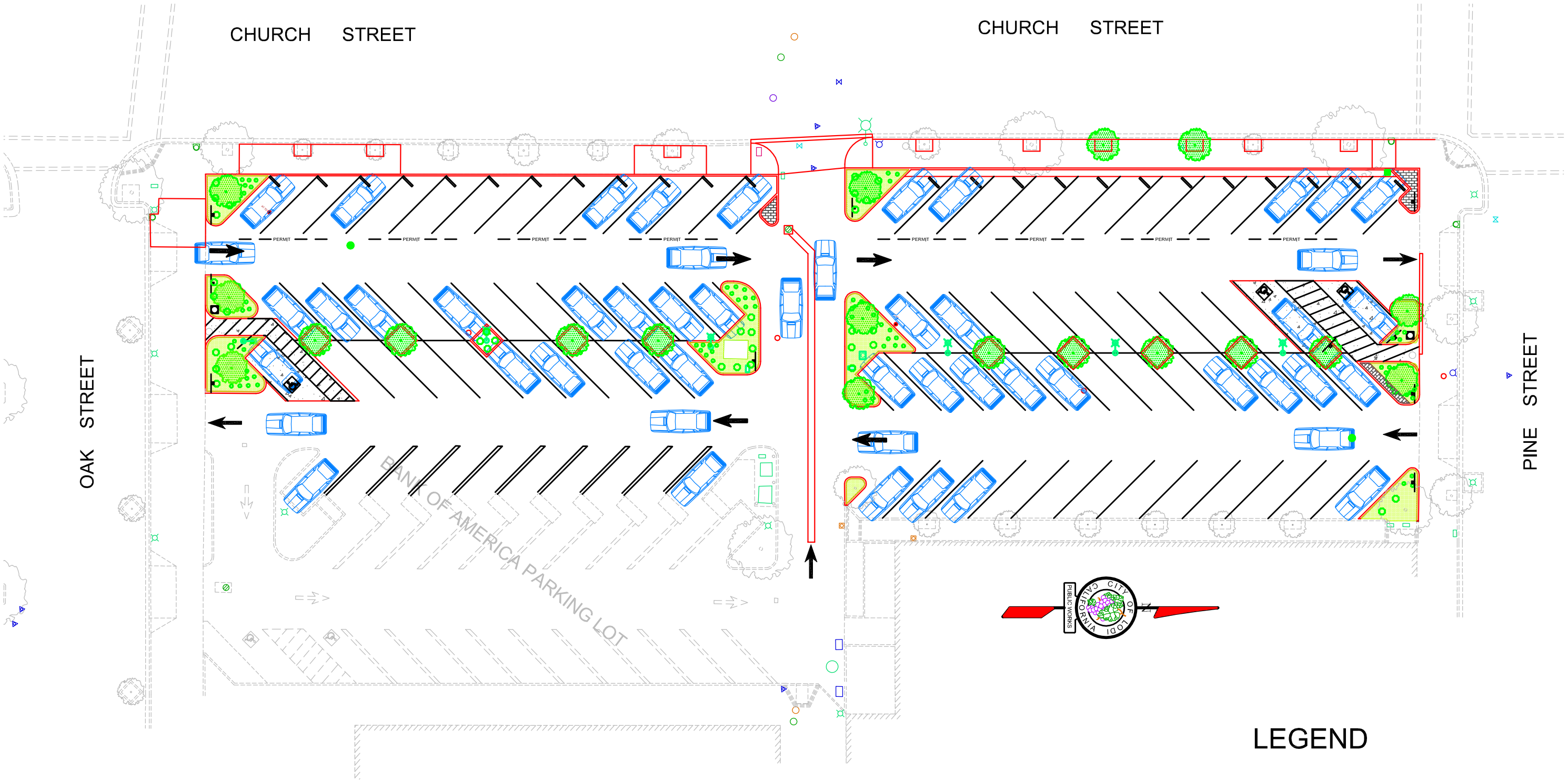
FUNDING AVAILABLE:

Community Development Block Grant (4591302)	$116,000
2013/14 General Fund Capital (1211047)	$150,000
EUD Public Benefit Fund (164605.8098)	$35,000
Requested Appropriation	
General Fund Capital (1211047)	$47,000
Project Total:	$348,000

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Lyman Chang, Senior Civil Engineer
FWS/LC/pmf
cc: Electric Utility Director
Neighborhood Services Manager
City Engineer/Deputy Public Works Director
Senior Civil Engineer
Management Analyst Areida-Yadav
MCI Engineering



EXISTING PARKING STALLS: 87
PROPOSED PARKING STALLS :79
TOTAL PARKING STALLS (INCLUDING BOA):110
ADA PARKING STALLS REQUIRED: 5
ADA PARKING STALLS PROVIDED: 5 (2 VAN ACCESSIBLE)
REMOVE 19 EXISTING TREES
PLANT 19 NEW TREES

LEGEND

- PROPOSED TREE
- EXISTING TREE TO REMAIN
- PROPOSED LANDSCAPE AREA

NO.	DATE		BY

DRAWN	DESIGN	SCALE 1" = 30'	JOB NUMBER
CHECKED	DATE	APPROVED	
RECORD DWG		DEPUTY PUBLIC WORKS DIRECTOR RCE NO. 52842	DATE

CITY OF LODI
PUBLIC WORKS DEPARTMENT

CHURCH ST PARKING LOTS
10 AND 30 S CHURCH ST

EXHIBIT A

K:\CADD\PROJECTS\2013\013D011\13D011.dwg, EXHIBIT A, 2/13/2014 10:17:12 AM, lchang

ADA IMPROVEMENTS PROJECT PHASE 3
DOWNTOWN PARKING LOTS
10 and 30 South Church Street

CONTRACT

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and MCI ENGINEERING, INC., herein referred to as the "Contractor."

W I T N E S S E T H :

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Notice Inviting Bids	The May 2006 Edition,
Information to Bidders	Standard Specifications,
General Provisions	State of California,
Special Provisions	Business and Transportation Agency,
Bid Proposal	Department of Transportation
Contract	
Contract Bonds	
Plans	

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

Perform the work necessary to reconstruct two City parking lots (32,000 square feet) with asphalt concrete pavement, install handicap-accessible parking stalls, plant 19 trees, and other incidental and related work, all as shown on the plans and specifications for "ADA Improvements Phase 3 – Downtown Parking Lots, 10 and 30 South Church Street".

CONTRACT ITEMS

ITEM NO.	DESCRIPTION	UNIT	EST'D. QTY	UNIT PRICE	TOTAL PRICE
1.	Traffic Control	LS	1	$ 9,700.00	$ 9,700.00
2.	Clearing and Grubbing	LS	1	$ 29,000.00	$29,000.00
3.	Storm Water Pollution Control	LS	1	$ 2,350.00	$ 2,350.00
4.	Compact Original Ground	SF	31,830	$ 0.55	$17,506.50
5.	Concrete Subgrade Compaction	SF	4,802	$ 2.31	$11,092.62
6.	Asphalt Concrete	TON	825	$ 92.39	$76,221.75
7.	Concrete Curb	LF	1,073	$ 20.65	$22,157.45
8.	Concrete Curb with Gutter	LF	146	$ 31.00	$ 4,526.00
9.	Concrete Valley Gutter	LF	96	$ 36.00	$ 3,456.00
10.	Concrete Parking Stall (ADA)	SF	1,261	$ 6.00	$ 7,566.00

ITEM NO.	DESCRIPTION	UNIT	EST'D. QTY	UNIT PRICE	TOTAL PRICE
11.	Concrete Sidewalk	SF	2,270	$ 4.00	$ 9,080.00
12.	Concrete Alley Approach	SF	369	$ 11.00	$ 4,059.00
13.	Install 12-Inch Storm Drain	LF	146	$ 53.00	$ 7,738.00
14.	Install Drop Inlet Catch Basin	EA	3	$ 1,650.00	$ 4,950.00
15.	Adjust Drop Inlet Catch Basin to Grade	EA	1	$ 310.00	$ 310.00
16.	Furnish Water Valve Frame and Cover	EA	1	$ 250.00	$ 250.00
17.	Adjust Utility Frame and Cover to Grade	EA	7	$ 310.00	$ 2,170.00
18.	Tree Planting	EA	19	$ 85.00	$ 1,615.00
19.	Striping	LS	1	$ 1,113.00	$ 1,113.00
20.	Furnish and Install Sign Post	EA	10	$ 100.00	$ 1,000.00
21.	Furnish and Install ADA Signs	LS	1	$ 500.00	$ 500.00
22.	Furnish and Install Concrete Bumper	EA	28	$ 45.00	$ 1,260.00
23.	Furnish and Install Parking Lot Lights	LS	1	$ 32,696.00	$32,696.00
24.	Landscaping	LS	1	$ 27,409.00	$27,409.00
25.	Relocate Trash Receptacle	EA	3	$ 400.00	$ 1,200.00
				TOTAL	$ 278,926.32

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract within 15 calendar days after the City Manager has executed the contract and to diligently prosecute to completion within **30 WORKING DAYS**.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:	CITY OF LODI
_____	By:_____ Stephen Schwabauer Interim City Manager
By:_____	Date:_____
	Attest
_____ Title	
	_____ City Clerk
(CORPORATE SEAL)	Approved As To Form
	_____ Janice D. Magdich Interim City Attorney

1. AA# _____
2. JV# _____

CITY OF LODI
APPROPRIATION ADJUSTMENT REQUEST

TO:	Internal Services Dept. - Budget Division		
3. FROM:	Rebecca Areida-Yadav	5. DATE:	4/14/2014
4. DEPARTMENT/DIVISION:	Public Works		

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING					
	1211		3205	Fund Balance	$ 47,000.00
B. USE OF FINANCING					
	1211	1211047	1825.2300	Downtown Parking Lots	$ 47,000.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

Contract with MCI Enginering for the ADA Improvement Phase 3 - Church Street Parking Lots project.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.

Department Head Signature: Shelly Sandelin

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager Date

Submit completed form to the Budget Division with any required documentation.
Final approval will be provided in electronic copy format.

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING AND AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT FOR THE ADA IMPROVEMENT PROJECT PHASE 3 – CHURCH STREET PARKING LOTS AND FURTHER APPROPRIATING FUNDS

==========

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on April 10, 2014, at 11:00 a.m., for the ADA Improvement Project Phase 3 – Church Street Parking Lots, described in the plans and specifications therefore approved by the City Council on March 5, 2014; and

WHEREAS, said bids have been checked and tabulated and a report thereof filed with the City Manager as follows:

Bidder	**Bid**
MCI Engineering	$ 278,926.32
A.M. Stephens Construction	$ 288,186.78
Robert Burns Construction	$ 294,412.10
Martin General Engineering	$ 310,579.55
George Reed, Inc.	$ 321,244.00
American Asphalt	$ 327,404.00
California Pavement Maintenance	$ 368,985.52

WHEREAS, the low bidder, MCI Engineering, has signed the required Local Hire forms and will conform to the requirements; and

WHEREAS, staff recommends awarding the contract for the ADA Improvement Project Phase 3 – Church Street Parking Lots, to the low bidder, MCI Engineering, of Stockton, California, in the amount of $278,926.32.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for the ADA Improvement Project Phase 3 – Church Street Parking Lots, to the low bidder, MCI Engineering, of Stockton, California, in the amount of $278,926.32; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the contract; and

BE IT FURTHER RESOLVED that funds in the amount of $47,000 be appropriated for the project from the General Fund Capital account.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-08

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Awarding Contract for Hutchins Street Square South Entrance ADA Project, 125 South Hutchins Street, to A. M. Stephens Construction Company, Inc., of Lodi ($64,106.50)

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution awarding contract for Hutchins Street Square South Entrance ADA Project, 125 South Hutchins Street, to A. M. Stephens Construction Company, Inc., of Lodi, in the amount of $64,106.50.

BACKGROUND INFORMATION: The project will consist of installing 10 concrete ADA-compliant parking stalls and other incidental and related work, all as shown on the plans and specifications for the project. The proposed improvements are shown in Exhibit A.

The improvements are consistent with the City-Wide ADA Transition Plan (February 2011). The improvements will improve ADA access to the facility.

Plans and specifications for this project were approved on February 19, 2014. The City received the following nine bids for this project on April 10, 2014.

Bidder	Location	Bid
Engineer's Estimate		$ 63,559.80
A. M. Stephens Construction	Lodi	$ 64,106.50
Big B Construction, Inc.	Stockton	$ 66,409.02*
A & S Construction, Inc.	Victor	$ 69,301.10*
FBD Vanguard Construction	Livermore	$ 73,287.40
Sinclair General Engineering Construction	Oakdale	$ 75,351.60
L&W Construction, Inc.	Elk Grove	$ 76,419.00
American Asphalt	Hayward	$ 82,274.00
Diede Construction, Inc.	Woodbridge	$ 82,599.24
JJR Construction, Inc.	San Mateo	$ 99,570.50*

* Corrected Total

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: This project will be funded by 2014 Community Development Block Grant (CDGB) funds (4591303).

_____
Jordan Ayers
Deputy City Manager/Internal Services Director

_____
F. Wally Sandelin
Public Works Director

Prepared by Sean Nathan, Associate Civil Engineer
FWS/SN/pmf
cc: Neighborhood Services Manager City Engineer/Deputy Public Works Director

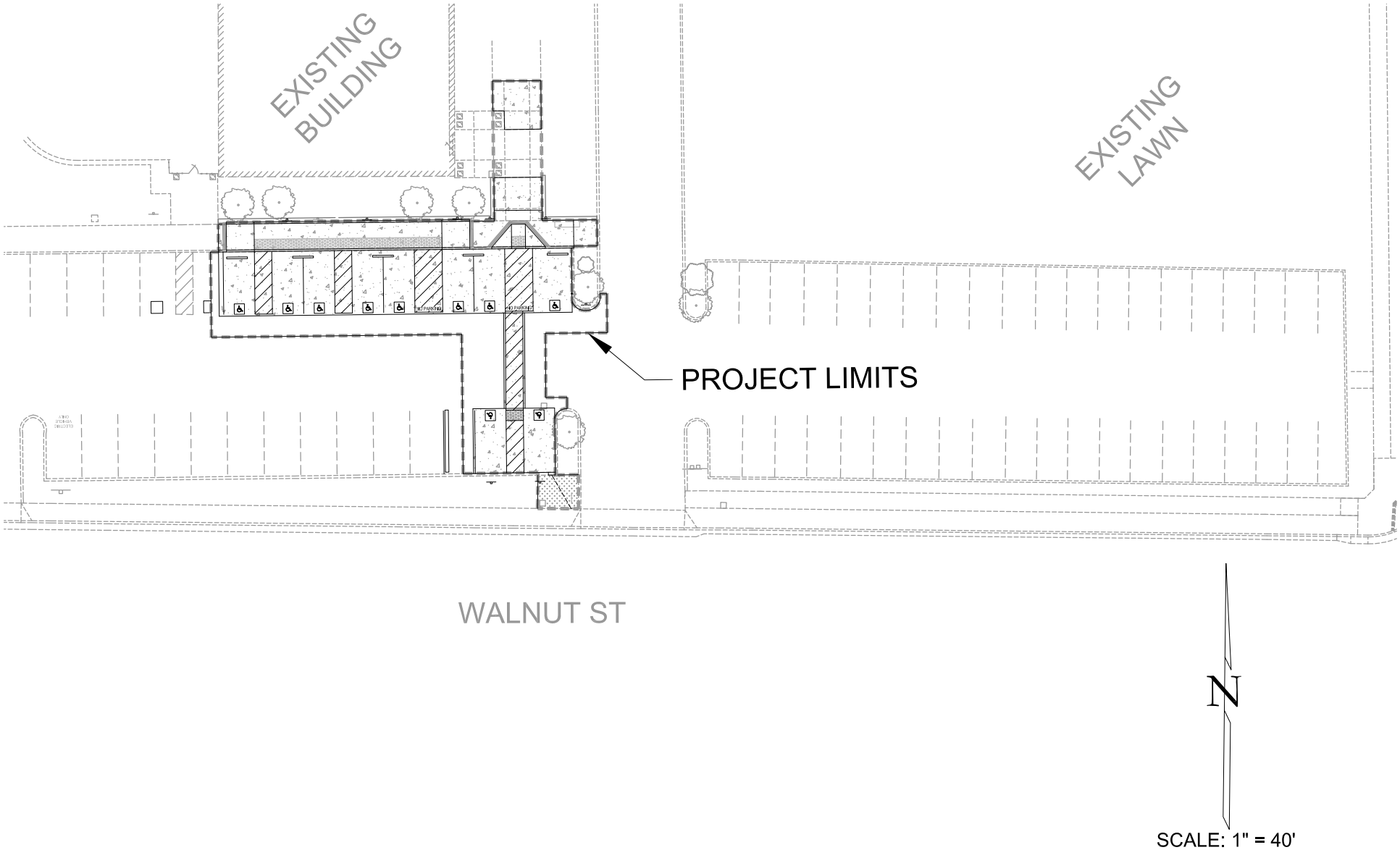
---

APPROVED: _____
Stephen Schwabauer, Interim City Manager

CITY OF LODI

PUBLIC WORKS DEPARTMENT

HSS SOUTH ENTRANCE ADA
EXHIBIT A
LOCATION MAP



\\CVCFILV02\PubWks$\WP\PROJECTS\MISC\ADA Improvement Phase 3\Attachment.dwg, 1/29/2014 11:53:37 AM

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and A.M. STEPHENS CONSTRUCTION COMPANY, INC., herein referred to as the "Contractor."

W I T N E S S E T H :

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Notice Inviting Bids	The July 1992 Edition,
Information to Bidders	Standard Specifications,
General Provisions	State of California,
Special Provisions	Business and Transportation Agency,
Bid Proposal	Department of Transportation
Contract	
Contract Bonds	
Plans	

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

Perform the work necessary for installing 10 concrete ADA-compliant parking stalls and other incidental and related work, all as shown on the plans and specifications for "Hutchins Street Square South Entrance ADA".

See Section 6-07 of the Special Provisions for additional description of bid items.

CONTRACT ITEMS

Item	Description	Unit	Qty	Price	Total
1	Clearing and Grubbing	LS	1	$ 9,500.00	$ 9,500.00
2	Compact Original Ground	SF	1,286	$ 4.50	$ 5,787.00
3	Concrete Sidewalk and Ramps	SF	1,310	$ 6.10	$ 7,991.00
4	Concrete Curb	LF	117	$ 24.00	$ 2,808.00
5	Install ADA Truncated Dome Panels	SF	189	$ 13.50	$ 2,551.50
6	Concrete Parking Stall (ADA)	SF	2,480	$ 7.50	$ 18,600.00
7	6' Parking Bumper	EA	5	$ 62.00	$ 310.00
8	Striping	LS	1	$ 1,850.00	$ 1,850.00
9	Signage	LS	1	$ 2,180.00	$ 2,180.00
10	Pavement Excavation	CY	70	$ 30.00	$ 2,100.00
11	Asphalt Concrete	SF	1,286	$ 7.50	$ 9,645.00
12	Drainage Swale	SF	112	$ 7.00	$ 784.00

TOTAL $ 64,106.50

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract within 15 calendar days after the City Manager has executed the contract and to diligently prosecute to completion within **21 CALENDAR DAYS**.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:

_____

By:_____

_____
Title

(CORPORATE SEAL)

CITY OF LODI

By:_____
Stephen Schwabauer
Interim City Manager

Date:_____

Attest

_____
City Clerk

Approved As To Form

_____
Janice D. Magdich
Interim City Attorney

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING AND AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT FOR THE HUTCHINS STREET SQUARE SOUTH ENTRANCE ADA PROJECT, 125 SOUTH HUTCHINS STREET

==========

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on April 10, 2014, at 11:00 a.m., for the Hutchins Street Square South Entrance ADA Project, 125 South Hutchins Street, described in the plans and specifications therefore approved by the City Council on February 19, 2014; and

WHEREAS, said bids have been checked and tabulated and a report thereof filed with the City Manager as follows:

Bidder		**Bid**
A. M. Stephens Construction	$	64,106.50
Big B Construction, Inc.	$	66,409.02*
A & S Construction, Inc.	$	69,301.10*
FBD Vanguard Construction	$	73,287.40
Sinclair General Engineering Construction	$	75,351.60
L&W Construction, Inc.	$	76,419.00
American Asphalt	$	82,274.00
Diede Construction, Inc.	$	82,599.24
JJR Construction, Inc.	$	99,570.50*

* Corrected Total

WHEREAS, staff recommends awarding the contract for the Hutchins Street Square South Entrance ADA Project, 125 South Hutchins Street, to the low bidder, A. M. Stephens Construction Company, Inc., of Lodi, California, in the amount of $64,106.50.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for the Hutchins Street Square South Entrance ADA Project, 125 South Hutchins Street, to the low bidder, A. M. Stephens Construction Company, Inc., of Lodi, California, in the amount of $64,106.50; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the contract.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-09

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Awarding Contract for 2014-2015 Fence Repair Program, Various Locations, to John D. Wait Masonry, Inc., of Lodi ($48,349.92); Authorizing Public Works Director to Execute Extensions; and Appropriating Funds ($50,000)

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution awarding contract for 2014-2015 Fence Repair Program, Various Locations, to John D. Wait Masonry, Inc., of Lodi, in the amount of $48,349.92; authorizing Public Works Director to execute extensions; and appropriating funds in the amount of $50,000.

BACKGROUND INFORMATION: City grape stake fences and block walls are occasionally destroyed by vehicle accidents or intentional vandalism. Previously, the City has hired contractors to repair the segments on a case-by-case basis. This method has historically been effective for small sections; however, the repairs have been delayed for larger projects.

This contract will be performed on an "as-needed" basis, allowing quick responses to any necessary repairs, regardless of the size. The contract will include masonry block repair and replacing damaged grape stake fences with matching slump stone block.

Specifications for this project were approved on February 19, 2014. The bid opening date was March 26, 2014. No bids were received for the project. Staff spoke with a number of contractors about the project following the bid due date to determine why they did not bid. The responses were typically that the smaller contractors were not willing to comply with the prevailing wage requirements and the larger contractors were not able to provide the on-call responses for small quantities of wall.

Section 20166 of the California Public Contract Code states that, "If no bids are received, the legislative body may have the project done without further complying with this chapter."

Staff had additional discussions with local contractors that have previously provided similar services. Proposals were requested from the following local masonry contractors: John D. Wait Masonry, Jeff Case Construction, Gibson Masonry, and Ed Loo Masonry. A proposal was provided by John D. Wait Masonry only. Jeff Case Construction and Gibson Masonry declined to provide a proposal for the work and staff was unable to get a response from Ed Loo Masonry.

John D. Wait Masonry was the low bidder for the City's Lodi West Wall Replacement project that was publically bid in February 2014.

Staff recommends awarding the contract to John D. Wait Masonry and authorizing the Public Works Director to negotiate and execute up to two one-year extensions of the contract.

APPROVED: _____

Stephen Schwabauer, Interim City Manager

FISCAL IMPACT: The project will have a minimal impact on total maintenance cost but will reduce the City's liability associated with the damaged walls by reducing the repair response times.

FUNDING AVAILABLE: Requested Appropriation:
Street Fund (320): $50,000.

_____
Jordan Ayers
Deputy City Manager/Internal Services Director

_____
F. Wally Sandelin
Public Works Director

Prepared by Sean Nathan, Associate Civil Engineer
FWS/SN/pmf
cc: Deputy Public Works Director – Utilities

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and JOHN D WAIT MASONRY, INC., herein referred to as the "Contractor."

W I T N E S S E T H :

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Notice Inviting Bids	The July 1992 Edition,
Information to Bidders	Standard Specifications,
General Provisions	State of California,
Special Provisions	Business and Transportation Agency,
Bid Proposal	Department of Transportation
Contract	
Contract Bonds	
Plans	

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

Perform the work necessary to remove and replace damaged fences and/or block walls at various locations throughout the City, and other incidental and related work, all as described in the specifications for this project.

CONTRACT ITEMS

Item No.	Description	Unit	Est'd Qty	Unit Price	Total Price
1	Grape Stake Replacement	LF	128	$ 247.50	$ 31,680.00
2	Reconstruct 6' Block Wall	LF	16	$ 299.06	$ 4,784.96
3	Reconstruct 8'8" Block Wall	LF	16	$ 430.31	$ 6,884.96
4	Misc. Wall Allowance (Only with City Authorization)	LS	1	$ 5,000.00	$ 5,000.00

TOTAL $ 48,349.92

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII – The contract will begin after the City Manager has executed the contract and will end June 30, 2015. The contract may be extended if agreed upon by the Contractor and the City.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:	CITY OF LODI
_____	By:_____ Stephen Schwabauer Interim City Manager
By:_____	Date:_____
	Attest
_____ Title	
	_____ City Clerk
(CORPORATE SEAL)	Approved As To Form
	_____ Janice Magdich Interim City Attorney

1. AA# _____
2. JV# _____

CITY OF LODI
APPROPRIATION ADJUSTMENT REQUEST

TO:	Internal Services Dept. - Budget Division		
3. FROM:	Rebecca Areida-Yadav	5. DATE:	4/23/2014
4. DEPARTMENT/DIVISION:	Public Works		

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	320		3205	Fund Balance	$ 50,000.00
B. USE OF FINANCING	320	320127	7720	Reverse Frontage Wall Repairs	$ 50,000.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

Contract with John D. Wait Masonry for the 2014-15 Fence Repair Program

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.

Department Head Signature: Stacey Sandelin

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager Date

Submit completed form to the Budget Division with any required documentation.
Final approval will be provided in electronic copy format.

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING AND AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT FOR THE 2014-2015 FENCE REPAIR PROGRAM, VARIOUS LOCATIONS; AUTHORIZING THE PUBLIC WORKS DIRECTOR TO NEGOTIATE AND EXECUTE EXTENSIONS; AND FURTHER APPROPRIATING FUNDS

==========

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were solicited to be publicly opened on March 26, 2014, at 11:00 a.m., for the 2014-2015 Fence Repair Program, Various Locations, described in the specifications therefore approved by the City Council on February 19, 2014; and

WHEREAS, no bids were received; and

WHEREAS, Section 20166 of the California Public Contract Code states that, “If no bids are received, the legislative body may have the project done without further complying with this chapter”; and

WHEREAS, proposals were requested from the following local masonry contractors: John D. Wait Masonry, Jeff Case Construction, Gibson Masonry, and Ed Loo Masonry; a proposal was provided by John D. Wait Masonry only; and

WHEREAS, staff recommends awarding the contract for the 2014-2015 Fence Repair Program, Various Locations, to the sole bidder, John D. Wait Masonry, Inc., of Lodi, California, in the amount of $48,349.92, and authorizing the Public Works Director to negotiate and execute up to two one-year extensions of the contract.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for the 2014-2015 Fence Repair Program, Various Locations, to the sole bidder, John D. Wait Masonry, Inc., of Lodi, California, in the amount of $48,349.92; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the contract; and

BE IT FURTHER RESOLVED that the Public Works Director is hereby authorized to negotiate and execute up to two one-year extensions of the contract; and

BE IT FURTHER RESOLVED that funds in the amount of $50,000 be appropriated for the project from the Street Fund.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-10

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Accept Improvements Under Contract for Lodi Public Library Phase 3 Remodel Project

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept improvements under contract for Lodi Public Library Phase 3 Remodel Project.

BACKGROUND INFORMATION: The contract was awarded to Diede Construction, Inc., of Woodbridge, in the amount of $284,190, on January 15, 2014. The contract has been completed in substantial conformance with the plans and specifications approved by City Council on November 6, 2013.

The Phase 3 project completed carpet, lighting, communications, space conditioning and furniture upgrades within the remodel area. Rooms to accommodate tutoring, a computer lab, meetings, café-style seating and a teen sitting area were also provided. A drawing of the project floor plan is attached for reference as Exhibit A.

The contract completion date was April 27, 2014, and the actual completion date was April 17, 2014. The final cost of the project was $301,849. There difference between the original contract amount and final contract was due to three change orders totaling $17,659. The changes included adding additional floor and wall electrical outlets, painting in additional areas and code-required fire alarm system improvements.

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to inform vendors and subcontractors that the project is complete and to initiate the 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

FISCAL IMPACT: There will be a decrease in facility maintenance costs.

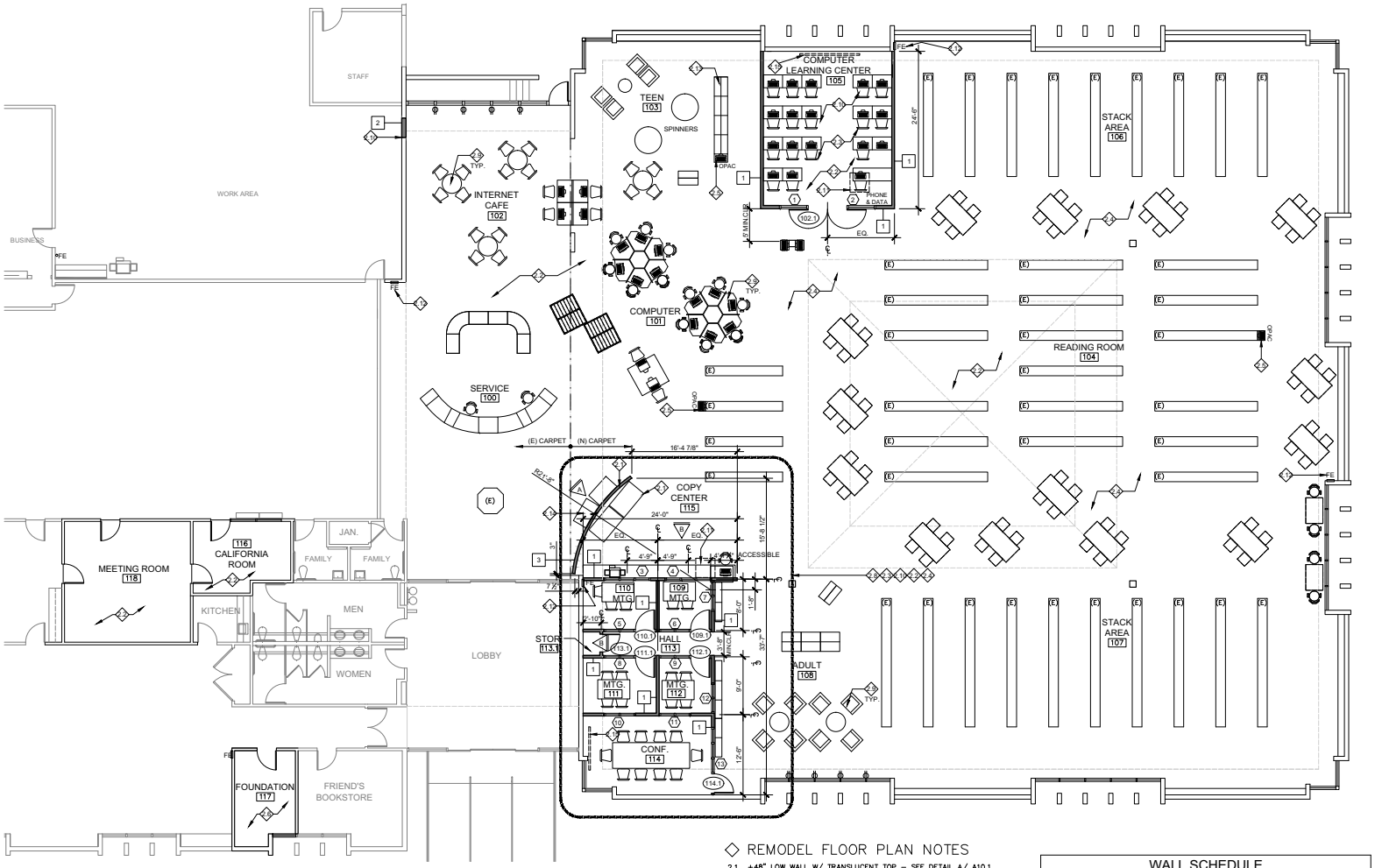
FUNDING AVAILABLE: This project was funded through a donation from the Library Foundation (211 fund).

F. Wally Sandelin
Public Works Director

Prepared by Gary Wiman, Construction Project Manager
FWS/GW/pmf
Attachment
cc: Library Services Director

APPROVED: _____
Stephen Schwabauer, Interim City Manager

Exhibit A



REMODEL FLOOR PLAN

SCALE : 1/8" = 1'-0"

WALL LEGEND

- (E) WALL FRAMING TO REMAIN
- (E) WALL FRAMING TO BE REMOVED
- (N) FRAMED WALL

GENERAL NOTES

1. PROTECT AND PRESERVE CARPET IN AREAS WHERE IT IS TO REMAIN
2. PATCH AND TEXTURE ALL WALLS IN AREAS OF WORK PRIOR TO PAINTING
3. (E) BRICK TO REMAIN WITHOUT FINISH; PROTECT DURING CONSTRUCTION

REMODEL FLOOR PLAN NOTES

2.1 +48" LOW WALL W/ TRANSLUCENT TOP – SEE DETAIL A/ A10.1

2.2 PAINT ALL WALLS IN AREA OF WORK – SEE INTERIOR FINISHES SCHEDULE

2.3 (N) CARPET THROUGHOUT – SEE INTERIOR FINISHES SCHEDULE AND CARPET PATTERN PLAN

2.4 (N) CARPET THROUGHOUT – SEE CARPET PATTERN PLAN AND INTERIOR FINISHES SCHEDULE

2.5 END-OF-RANGE COMPUTER STATION BY OWNER. SEE ELECTRICAL PLANS FOR POWER REQUIREMENTS

2.6 SEE MECHANICAL PLANS FOR SCOPE OF WORK

2.7 NOT USED

2.8 PAINT ALL WALLS IN MEETING ROOMS – SEE INTERIOR FINISHES SCHEDULE

2.9 FURNITURE TO BE PROVIDED AND INSTALLED BY OTHERS – TYP.

2.10 INSTALL (N) WALL BASE TO MATCH (E) – TYP.

2.11 (E) CEILING ACCESS PANEL ABOVE TO REMAIN

2.12 (E) FIRE EXTINGUISHER

2.13 ANCHOR (E) BOOKSHELVES TO FLOOR USING ½"ø WEDGE BOLTS @ 24" O.C. W/ 3 ½" EMBED

2.14 EQUIPMENT TO BE PROVIDED AND INSTALLED BY OWNER

2.15 PULL-DOWN CEILING MOUNTED PROJECTION SCREEN BY OWNER

WALL SCHEDULE

NO.	SIZE/TYPE	INSULATION	INTERIOR	EXTERIOR	F.R.	U.L.
1	3 ⅝" 20 GA. MTL. STUDS @ 16" O.C.	R-11 F.G. BATT	⅝" GYP. BD. BOTH SIDES			
2	20 GA. MTL. STUDS @ 16" O.C. - INFILL WALL	R-19 F.G. BATT	⅝" GYP. BD. BOTH SIDES			
3	3 ⅝" 20 GA. MTL. STUDS @ 16" O.C. TO 4' A.F.F.	NO INSULATION	⅝" GYP. BD. BOTH SIDES			

STUD SIZE

APPLICATION	SIZE/GAUGE FOR 16" O.C. SPACING	MAX. HT.
INTERIOR STUDS WITH MIN. ½" GYP BD BOTH SIDES, FULL HEIGHT OF STUD.	3 ⅝" 20 GA - SSMA DESIGNATION: 362S125-30	15'-0"
	4" 18 GA - SSMA DESIGNATION: 400S125-43	18'-0"
	6" 20 GA. - SSMA DESIGNATION: 600S125-30	20'-0"

WMB ARCHITECTS

5757 Pacific Avenue
Suite 226
Stockton CA 95207

209.944.9110 T
209.944.5711 F
www.wmbarchitects.com

Larry Wenell
Tim Mattheis
Tom Bowe
Doug Davis
Melanie Vieux
Principal Architects

Lodi Public Library
Phase III Renovation
201 W. Locust Street
Lodi, California

NOTATION PLAN

LICENSED ARCHITECT
MELANIE A. VIEUX
NO. C 30857
REN. 3-31-15
STATE OF CALIFORNIA

08.08.13	Const. Documents

PUBLISH HISTORY

△ DATE REVISION/ SET

WMB PROJECT:
10-103

A2.2

8/29/2013 1:43:31 PM, Copyright WMB, Inc.

AGENDA ITEM C-11

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Amendment No. 1 to Professional Services Agreement for Topographic Survey Work for Harney Lane Grade Separation Project with Baumbach & Piazza, Inc., of Lodi and Appropriating Funds ($7,800)

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute Amendment No. 1 to Professional Services Agreement for Topographic Survey Work for Harney Lane Grade Separation Project with Baumbach & Piazza, Inc., of Lodi, and appropriating funds in the amount of $7,800.

BACKGROUND INFORMATION: On August 21, 2013, City Council approved a Professional Services Agreement with Baumbach & Piazza, Inc., for topographic survey work for the Harney Lane Grade Separation Project in the amount of $24,000. The survey work as described in its scope of work was completed. Additional topographic survey work is needed along South Hutchins Street north of Harney Lane in order to complete an interim traffic re-routing plan. This plan was not anticipated in the original scope of services.

Staff recommends approval of Amendment No. 1 to the Professional Services Agreement for Topographic Survey Work for the Harney Lane Grade Separation Project with Baumbach & Piazza, Inc., in the amount of $7,800. The amendment, scope of services and fee estimate are provided in Exhibit A.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Requested Appropriation:
Harney Lane Grade Separation (322022): $7,800

_____
Jordan Ayers
Deputy City Manager/Internal Services Director

_____
F. Wally Sandelin
Public Works Director

FWS/pmf
Attachment

APPROVED: _____
Stephen Schwabauer, Interim City Manager

Exhibit A

AMENDMENT NO. 1

Baumbach & Piazza, Inc.
Professional Services Agreement

THIS AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT, is made and entered this ____ day of April, 2014, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and BAUMBACH & PIAZZA, INC. (hereinafter "CONSULTANT").

W I T N E S S E T H:

1. WHEREAS, CONSULTANT and CITY entered into a Professional Services Agreement (Agreement) on August 28, 2013, as set forth in Exhibit 1 (attached).

2. WHEREAS, CITY requested to amend said Agreement as set forth in Exhibit 2 (attached); and

3. WHEREAS, CONSULTANT agrees to said amendment;

NOW, THEREFORE, the parties agree to amend the Scope of Services and Fee as set forth in Exhibit 2 of the Agreement. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONSULTANT have executed this Amendment No. 1 on _____, 2014.

CITY OF LODI, a municipal corporation
Hereinabove called "CITY"

_____
F. WALLY SANDELIN
Public Works Director

BAUMBACH & PIAZZA, INC.
Hereinabove called "CONSULTANT"

_____
JOSHUA ELSON
President

Attest:

_____
RANDI JOHL-OLSON, City Clerk

Approved as to Form:

_____
JANICE D. MAGDICH
Interim City Attorney

5944 Exhibit 1

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on August 28, 2013, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and BAUMBACH & PIAZZA, INC. (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for Topographic Survey Work for the Harney Lane Grade Separation Project (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be

counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on August 26, 2013 and terminates upon the completion of the Scope of Services or on August 25, 2014, whichever occurs first.

ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence of the City of Lodi or its officers or agents.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910
Attn: Chris Boyer

To CONTRACTOR: Baumbach & Piazza, Inc.
323 W. Elm Street
Lodi, CA 95240

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase.

Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

☐ If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

RANDI JOHL-OLSON
City Clerk

KONRADT BARTLAM
City Manager

APPROVED AS TO FORM:
D. STEPHEN SCHWABAUER, City Attorney
JANICE D. MAGDICH, Deputy City Attorney

By:

BAUMBACH & PIAZZA, INC.

By:
Name: Joshua Elson
Title: President

Attachments:
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: **322022**
(Business Unit & Account No.)

Doc ID:WP\Projects\PSAs\Baumbach Piazza_HutchinsSignal

CA:rev.07.2013

Exhibit A/B

BAUMBACH & PIAZZA, INC.
CIVIL ENGINEERS • LAND SURVEYORS
www.bpengineers.net

323 W. Elm Street
Lodi, CA 95240-2003
Phone (209) 368-6618
Fax (209) 368-6610

July 3, 2013

City of Lodi
Attn: Wally Sandelin
Lodi City Hall
221 West Pine Street
Lodi, CA 95241

Agreement for Professional Services

Dear Wally,

In accordance with your request I am pleased to present this agreement to provide the topographic survey services associated with the Harney Lane Grade Separation as requested. The total cost for the services listed below shall not exceed **$24,000.00**. This letter serves as our proposal and scope for services as follows:

Scope of Services Included:

- Topographic Survey
  a. Field work necessary to provide supplemental topographic survey information for proposed signal project site located on Hutchins Street, south of Harney Lane.
     - Topography to include cross-sections of Harney Lane, extending 800 feet west of Hutchins Street, cross-sections of the future location of the driveway from Maggio Circle to Valley Iron Works, cross-sections of Stockton Street, extending 250 feet south of Harney Lane, and cross-sections of Harney Lane, extending 450 feet east of Stockton Street.
     - Topographic base mapping shall show existing grades with accuracy within 0.05 feet. Horizontal and vertical control for topographic maps shall be tied to City of Lodi GPS Control Network (37 RS 40). Vertical control will be tied to the San Joaquin County benchmark system.

Proposed Fee and Method of Payment:

Based on the understanding of your requirements, the not-to-exceed breakdown of the fees required for these services are as follows:

a. Topographic Survey.....$ 24,000.00

Our proposed services will be performed on a time and materials basis and shall be billed semi-monthly.

EXHIBIT C

Insurance Requirements for Contractor The Contractor shall take out and maintain during the life of this contract, insurance coverage as listed below. These insurance policies shall protect the Contractor and any subcontractor performing work covered by this contract from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this contract, whether such operations be by Contractor or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. COMPREHENSIVE GENERAL LIABILITY

   $1,000,000 Ea. Occurrence

   $2,000,000 Aggregate

2. COMPREHENSIVE AUTOMOBILE LIABILITY

   $1,000,000 Bodily Injury - Ea. Person
   $1,000,000 Bodily Injury - Ea. Occurrence

   $1,000,000 Property Damage - Ea. Occurrence

NOTE: Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95241-1910; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

A copy of the certificate of insurance with the following endorsements shall be furnished to the City:

(a) Additional Named Insured Endorsement
Such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed Boards, Commissions, Officers, Agents, Employees, and Volunteers as additional named insureds.

(This endorsement shall be on a form furnished to the City and shall be included with Contractor's policies.)

(b) Primary Insurance Endorsement
Such insurance as is afforded by the endorsement for the Additional Insureds shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the insurance afforded by this endorsement.

(c) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

(d) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 W. Pine St., Lodi, CA 95240.

Compensation Insurance The Contractor shall take out and maintain during the life of this contract, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this contract at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 W. Pine St., Lodi, CA 95240. A Waiver of Subrogation against the City of Lodi is required.

NOTE: No contract agreement will be signed nor will **any** work begin on a project until the proper insurance certificate is received by the City.

Exhibit 2

BAUMBACH & PIAZZA, INC.
CIVIL ENGINEERS • LAND SURVEYORS
www.bpengineers.net

323 W. Elm Street
Lodi, CA 95240-2003
Phone (209) 368-6618
Fax (209) 368-6610

April 8, 2014

City of Lodi
Attn: Wally Sandelin
Lodi City Hall
221 West Pine Street
Lodi, CA 95241

Agreement for Professional Services

Dear Wally,

In accordance with your request I am pleased to present this agreement to provide the topographic survey services associated with the Harney Lane Grade Separation as requested. The total cost for the services listed below shall not exceed **$7,800.00**. This letter serves as our proposal and scope for services as follows:

Scope of Services Included:

- Topographic Survey
    a. Provide supplemental topographic survey information for proposed project site located on Hutchins Street, south of the north curb return on Wimbledon Drive and north of the south curb return on Vineyard Drive.
        - Topography to include cross-sections of Hutchins Street, including lip of gutter, edge of travel way, lane line, and median edge of pavement for both travel directions. All utility signs and other hard features within limits to be included.
        - Topographic base mapping shall show existing grades with accuracy within 0.05 feet. Horizontal and vertical control for topographic maps shall be tied to City of Lodi GPS Control Network (37 RS 40).
        - Topographic mapping will be developed electronically and provided in AutoCAD format.

Proposed Fee and Method of Payment:

Based on the understanding of your requirements, the not-to-exceed breakdown of the fees required for these services are as follows:

a. Topographic Survey.....$ 7,800.00

Our proposed services will be performed on a time and materials basis and shall be billed semi-monthly.

1. AA# _____
2. JV# _____

CITY OF LODI
APPROPRIATION ADJUSTMENT REQUEST

TO:	Internal Services Dept. - Budget Division		
3. FROM:	Rebecca Areida-Yadav	5. DATE:	4/21/2014
4. DEPARTMENT/DIVISION:	Public Works		

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	322		3205	Fund Balance	$ 7,800.00
B. USE OF FINANCING	322	322022	7323	Harney Lane Grade Separation	$ 7,800.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

Professional Services agreement amendement with Baumbach & Piazza.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: 10/5/2011 Res No: _____ Attach copy of resolution to this form.

Department Head Signature: _____

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager Date

Submit completed form to the Budget Division with any required documentation.
Final approval will be provided in electronic copy format.

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE
AMENDMENT NO. 1 TO THE PROFESSIONAL
SERVICES AGREEMENT FOR TOPOGRAPHIC SURVEY
WORK FOR THE HARNEY LANE GRADE SEPARATION
PROJECT WITH BAUMBACH & PIAZZA, INC., OF LODI,
AND FURTHER APPROPRIATING FUNDS

==========

WHEREAS, on August 21, 2013, City Council approved a Professional Services Agreement with Baumbach & Piazza, Inc., for topographic survey work for the Harney Lane Grade Separation Project in the amount of $24,000. The survey work as described in its scope of work was completed; and

WHEREAS, additional topographic survey work is needed along South Hutchins Street north of Harney Lane in order to complete an interim traffic re-routing plan. This plan was not anticipated in the original scope of services; and

WHEREAS, staff recommends approval of Amendment No. 1 to the Professional Services Agreement for Topographic Survey Work for the Harney Lane Grade Separation Project with Baumbach & Piazza, Inc., in the amount of $7,800.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement for Topographic Survey Work for the Harney Lane Grade Separation Project with Baumbach & Piazza, Inc., of Lodi, California, in the amount of $7,800; and

BE IT FURTHER RESOLVED that funds in the amount of $7,800 be appropriated from the Harney Lane Grade Separation Project account.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-12

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute a Professional Services Agreement and Extensions With Robert Half Technology for Temporary Technical Support.

MEETING DATE: May 7, 2014

PREPARED BY: Information Systems Manager

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute a Professional Services Agreement and extensions with Robert Half Technology for temporary technical support.

BACKGROUND INFORMATION: For the past two and a half years, the Information Systems Division (ISD) has utilized a part-time contract employee to help cover the desktop support workload. Most recently, that employee, contracted through Adecco, secured a full time job elsewhere. Staff has selected Robert Half Technology over Adecco to fill this position because their profit and overhead load per hour is significantly less than Adecco, and Robert Half is known for attracting highly qualified technology candidates.

The day-to-day activities of this contract position include troubleshooting desktop PC problems, installing software, assisting City staff with technical questions, and completing other related tasks as assigned by ISD staff.

The proposed contract with Robert Half Technology is for 24 months, and is for an amount not to exceed $110,000 for that two-year period.

Staff recommends that the City Manager be authorized to execute the Professional Services Agreement and up to two two-year extensions of the Professional Services Agreement.

FISCAL IMPACT: This agreement provides the staffing flexibility needed by the Information Systems Division at the lowest cost.

FUNDING AVAILABLE: Information Systems Division (100411.7323)

_____
Jordan Ayers, Deputy City Manager

APPROVED: _____
Stephen Schwabauer, Interim City Manager

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on , 2014, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and ROBERT HALF INTERNATIONAL INC., doing business through its division, ROBERT HALF TECHNOLOGY (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for IT SUPPORT SERVICES (hereinafter "Project") as set forth in the Scope of Services attached hereto as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A. CITY agrees to comply with CONTRACTOR'S terms and conditions as set forth in Exhibit A (General Conditions of Assignment).

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames.

The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on May 7, 2014 and terminates upon the completion of the Scope of Services or on May 7, 2016, whichever occurs first.

Section 2.7 Option to Extend Term of Agreement

At its option, City may extend the terms of this Agreement for an additional two (2) two (2)-year extensions; provided, City gives Contractor no less than thirty (30) days written notice of its intent prior to expiration of the existing term. In the event City exercises any option under this paragraph, all other terms and conditions of this Agreement continue and remain in full force and effect.

The total duration of this Agreement, including the exercise of any option under this paragraph, shall not exceed six (6) years.

ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a weekly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable as set forth in Exhibit A. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal provided in Exhibit B.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with
this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA. CONTRACTOR shall only be responsible for and shall bear all costs associated with ensuring that all requirements of the ADA are satisfied with respect to any and all CONTRACTOR'S employees performing services on an individual basis which shall not include material improvements to CITY'S PREMISES including but not limited to access for ingress or egress, or infrastructure improvement.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees from and against any third party claims, damages, losses, and expenses (including

reasonable attorney's fees and costs), directly arising out of performance of the services to be performed under this Agreement, provided that any such third party claim, damage, loss, or expense is caused by the negligent acts or omissions of CONTRACTOR, anyone directly employed by CONTRACTOR, except those injuries or damages arising out of the negligence of the City of Lodi, or its officers or agents.

Notwithstanding anything to the contrary herein, CONTRACTOR shall not be liable for any claims for infringement of intellectual property rights resulting from (a) anything which indemnified parties provide which is incorporated into the work product, (b) CONTRACTOR's compliance with any designs, specifications, or instructions provided by indemnified parties or by a third party on an imdemnified party's behalf; (c) indemnified party/ies's modification of the work product; or (d) the combination, operation, or use of the work product with other products.

The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 <u>No Personal Liability</u>

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 <u>Responsibility of CITY</u>

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services, except as expressly provided herein. CONTRACTOR is a temporary staffing firm and is not in the business of providing project-based services or deliverables. CONTRACTOR shall be compensated on an hourly basis only as set forth in Exhibit B.

Section 4.6 <u>Insurance Requirements for CONTRACTOR</u>

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 <u>Successors and Assigns</u>

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement

without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910
Attn: Steve Mann, IT Manager

To CONTRACTOR: Robert Half Technology
1776 W. March Lane, Suite 200
Stockton, California 95207-6450

A copy of any notice sent to CONTRACTOR shall also be sent to Robert Half International Inc., 2613 Camino Ramon, San Ramon, California 94583-9128, Attention: Client Contracts Department or to (415) 402-6970 (if via facsimile).

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the

attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 The Patient Protection and Affordable Care Act 2010

Robert Half agrees to defend, indemnify and hold the Client harmless against any fines, costs or other losses arising directly from Robert Half's failure to comply with the applicable requirements of the US Patient Protection and Affordable Care Act with respect to Robert half's employees.

Section 4.22 Branch Limitation.

This Agreement is only applicable to, and the only Robert Half International Inc., branch and division obligated under this Agreement is, the Robert Half Technology division of the branch located at 1776 W. March Lane, Suite 200, Stockton, California 95207-6450.

Section 4.23 Background Checks.

In addition to completing the reference checks identified in Exhibit A and to the extent permitted by applicable law, CONTRACTOR will engage a third party vendor to complete a seven (7) year criminal background investigation for all state felony convictions and pending charges and state misdemeanor convictions and pending charges for crimes of dishonesty or violence in every county where the individual has resided or worked within U.S. in the last seven (7) years as stated on his or her application; and to conduct a 5 panel urine drug screen. The results of the drug screen will be provided directly to CITY; CITY will notify CONTRACTOR of CONTRACTOR'S employee's eligibility for assignment. If CITY requests a copy of the Report, CITY agrees (i) to keep the Report strictly confidential and to use the Report for employment purposes only; and (ii) to adhere to the Notice to Users of Consumer Reports: Obligations of Users Under the FCRA which can be found at http://www.ftc.gov/os/2004/07/040709fcraappxh.pdf.

Section 4.24 Survivability.

The following clauses shall survive the expiration or termination of this Agreement: Section 2.1 (Scope of Services); 2.6 (Term); Section 3.1 (Compensation); Section 3.2 (Method of Payment); Section 3.3 (Costs); 4.3 (Indemnification and Responsibility for Damage); 4.6 (Insurance Requirements for Contractor); 4.8 (Notices); 4.11 (Termination); 4.12 (Confidentiality); 4.13 (Applicable Law, Jurisdiction, Severability, and Attorney's Fees); and 4.22 (Branch Limitation).

Section 4.25 Modification of Contractor's General Conditions of Assignment.

CONTRACTOR agrees that in Exhibit A (Scope of Services and General Conditions of Assignment) in the last sentence in the provision opposite the heading "Limitation on Liability" in the General Conditions of Assignment is deleted and replaced with the following:

> "We will not be liable for incidental, indirect or consequently damages or lost profits; and for liabilities required to be insured by Section 4.6 of this Agreement, City agrees to limit all claims for damages under this

Agreement to the applicability policy limits. For uninsured liabilities, City agrees that the maximum liability for any specific assignment will not exceed the fees actually paid to CONTRACTOR for that assignment."

Section 4.26 Modification of Contractor's General Conditions of Assignment.

CONTRACTOR agrees that in Exhibit A (Scope of Services and General Conditions of Assignment) in the last paragraph in the provision opposite the heading "Client's Responsibilities" in the General Conditions of Assignment is hereby deleted.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:

RANDI JOHL-OLSON
City Clerk

APPROVED AS TO FORM:
JANICE D. MAGDICH, Interim City Attorney

By: _____

CITY OF LODI, a municipal corporation

STEPHEN SCHWABAUER
Interim City Manager

ROBERT HALF INTERNATIONAL INC.

By: _____
Name:
Title:

Attachments:
Exhibit A – Scope of Services and General Conditions of Assignment
Exhibit B – Fee Proposal
Exhibit B-1 – Terms of Payment
Exhibit C – Insurance Requirements

Funding Source: _____
(Business Unit & Account No.)

Doc ID:

CA:Rev.03.2014

Exhibit A

GENERAL CONDITIONS OF ASSIGNMENT

Thank you for your confidence in *Robert Half Technology*. Our professional is assigned to you under the following General Conditions of Assignment and the enclosed Terms of Payment.

Scope of Background Inquiries	We usually check references by asking specific questions to select past employers with regard to qualifications and work history. These types of checks are generally done the first time we place that individual on an assignment. We do not recheck references after this initial placement process has been completed. **There are substantial legal restrictions on the use and communication of various types of personnel-related information. We have not screened for drug use, administered a medical exam, conducted a criminal background check, or engaged in any verification process other than these reference checks.** You should conduct such additional or more recent reference inquiries of past employers or verify such other items as you deem appropriate for the position. If you would like to obtain further background information about the professional, we would be glad to refer you to third party agencies who have agreed to perform additional background checks for our clients at a competitive price. If you choose to directly employ one of our professionals, we are willing to provide you with the results of any reference checks that we have performed, to the extent permitted by law.
Client's Responsibility	Supervision of our professional's work is your responsibility. Our professional is only authorized to perform work within the scope of the assignment. It is expressly understood that our professionals are not authorized to sign contracts, statements, or binding agreements on your behalf or on behalf of *Robert Half Technology*. **You shall not permit or require our professional to make any final decisions on your behalf with regard to system design, software development, or acquisition of hardware or software, nor permit or require our professional to make any management decisions.** **It is understood that you are responsible for implementing and maintaining usual, customary and appropriate internal accounting procedures and controls, internal controls and other appropriate procedures and controls (including information technology, proprietary information, creative designs and trade secret safeguards) for your company and we shall not be responsible for any losses, liabilities or claims arising from the lack of such controls or procedures.** Under no circumstances will you permit our professional to sign, endorse, wire, transport or otherwise convey cash, securities, checks, or any negotiable instruments or valuables. It is understood that you have full responsibility for providing safe working conditions, as required by law, including ensuring that safety plans exist for and safety related training is provided to our professional working on your premises. If this assignment is for work to be performed under a government contract or subcontract, you will notify us immediately (1) of any obligations in the government contract or subcontract relating to wages, and (2) if we are legally required to initiate E-Verify verification procedures for our professional assigned to you. It is understood that we will not authorize our professional to operate machinery (other than office machines) or automotive equipment. It is agreed that you accept full responsibility for, and that we do not maintain insurance to cover any injury, damage, or loss that may result from your failure to comply with the foregoing. ~~It is understood that you are responsible for reporting any claim to us in writing during or within ninety (90) days after the assignment. Under no circumstance will *Robert Half Technology* be responsible for any claim related to work performed unless you have reported such claim in writing to us within ninety (90) days after termination of the assignment.~~
Confidentiality	Our professional will agree to execute any confidentiality agreement you may require. You are responsible for obtaining our professional's signature. You agree to hold in confidence the social security number and other legally protected personal information of our professional and to implement and maintain reasonable security procedures and practices to protect such information from unauthorized access, use, modification or disclosure.
Limitation on Liability	We make no express or implied warranty, including, but not limited to any warranty of quality, performance, merchantability or fitness for any purpose with respect to any services performed or any goods provided, including, but not limited to, financial, accounting services or software developed for you. We will not be liable for incidental, indirect or consequential damages or lost profits, and our maximum liability for any specific assignment, in any case, will not exceed the fees actually paid to us for that assignment.
Employment Taxes and Withholdings	*Robert Half Technology* will handle, to the extent applicable, any workers' compensation insurance, federal, state and local withholding taxes and unemployment taxes, as well as social security, state disability insurance or other payroll charges.
Insurance	In addition to workers' compensation insurance, we also maintain commercial liability insurance and employer's liability insurance.
No Contrary Agreements	These General Conditions of Assignment contain the complete and final agreement on the topics they address, and they supersede any prior agreements or understandings on these topics. Our professionals do not have authority either to verbally modify these General Conditions of Assignment or to assume additional responsibilities other than those set forth in these General Conditions of Assignment.

Job Order: 00450-115416 Date: 05-07-2014

EXHIBIT B

FEE PROPOSAL

Bill Rate will be $28.00 per hour for Desktop Support Analyst position. Contract total not to exceed $110,000.

CONTRACTOR, shall have no obligations to continue performance once the not-to-exceed dollar amount limitation has been attained. CITY shall have the responsibility to monitor fees charged in relation to the not-to-exceed amount. CITY will either terminate the Agreement or increase the not-to-exceed amount prior to attainment of the not-to-exceed dollar amount limitation. CITY shall be responsible for all charges for Services in the event CITY fails to notify CONTRACTOR of termination of this Agreement or an increase of the not-to-exceed amount.

EXHIBIT B-1

TERMS OF PAYMENT

Thank you for your confidence in *Robert Half Technology*. Our professional for the assignment of Desktop Support Analyst is Travis Shaw. The assignment will start on 05-07-2014. As verbally agreed or otherwise communicated, we will invoice your firm at the rate of $28.00 per hour. Should you wish to use our professional for other assignments, please feel free to do so. The hourly billing rate may then change to reflect the experience necessary to complete the assignment. Call *Robert Half Technology* for any changes in the assignment. We request a minimum thirty (30) days notice prior to ending any assignment.

Our professional is assigned to you under the following Terms of Payment:

Guarantee	*Robert Half Technology* guarantees your satisfaction with our professional's services by extending to you a three-day (24 hours) guarantee period. If, for any reason, you are dissatisfied with the professional assigned to you, *Robert Half Technology* will not charge for the first twenty-four hours worked, provided that *Robert Half Technology* replaces the individual assigned. Unless you contact us before the end of the first 24 hours guarantee period, you agree that our professional assigned is satisfactory. We make no other warranty, either express or implied.
Time Sheet	Our professional will submit either an electronic time record or a time sheet for verification and approval at the end of each week. Your approval thereby indicates your acknowledgement of the General Conditions of Assignment and these Terms of Payment. Our compensation to our assigned professional is on a weekly basis, and you will be billed weekly for the total hours worked, including time spent completing, revising, and/or resubmitting a time sheet or electronic time record during business hours, and we ask that you respect those guidelines. Because *Robert Half Technology* invoices reflect payroll we have already paid, our invoices are due upon receipt. Applicable sales and service taxes shall be added to these invoices. In the event that you fail to pay the invoice when due, you agree to pay all of our costs of collection, including reasonable attorneys' fees, whether or not legal action is initiated. Additionally, we may, at our option, charge interest on any overdue amounts at a rate of the lesser of 1 1/2% per month or the highest rate allowed by applicable law from the date the amount first became due.
Overtime	If applicable, overtime will be billed at 1.50 times the normal billing rate. Federal law defines overtime as hours in excess of 40 hours per week, state laws vary. If state law requires double time pay, the double time hours will be billed at 2.00 times the normal billing rate.
Hiring the Person Referred to You	After you evaluate the performance and potential of our professional on the job, you may wish to employ this person directly. Our professionals represent our inventory of skilled employees and in the event you wish them converted to your employ or another employer to whom you refer them, you agree to pay a conversion fee. The conversion fee is payable if you hire our professional assigned to you, regardless of the employment classification, on either a full-time, temporary (including temporary assignments through another agency) or consulting basis within twelve months after the last day of the assignment. You also agree to pay a conversion fee if our professional assigned to you is hired by (i) a subsidiary or other related company or business as a result of your referral of our professional to that company or (ii) one of your customers as a result of our professional providing services to that customer. The conversion fee will equal 35% of the professional's aggregate annual compensation, including bonuses. The conversion fee, plus an administrative fee, will be owed and invoiced upon your hiring of our professional, and payment is due upon receipt of this invoice. The same calculation will be used if you convert our professional on a part-time basis using the full-time equivalent salary.
General Conditions	*Robert Half Technology* may increase our rates provided under the Terms of Payment to reflect increases in our own costs of doing business, including costs associated with higher wages for workers and/or related tax, benefit and other costs. We will provide written or verbal notice of the increase in our rates. Any increase in our rates will be prospective, starting as of the effective date *Robert Half Technology* specifies. Our professional is also assigned to you under the General Conditions of Assignment, a copy of which has been provided.

Job Order: 00450-115416 Date: 05-07-2014

Exhibit C

Insurance Requirements:

Insurance Requirements for Contractor The Contractor shall maintain insurance coverage as listed below. These insurance policies shall protect the Contractor and any subcontractor performing work covered by this contract from third party claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this contract, whether such operations be by Contractor or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. GENERAL LIABILITY 2. AUTOMOBILE LIABILITY
$1,000,000 Ea. Occurrence $1,000,000 - Ea. Occurrence

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95241-1910; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring. A copy of the certificate of insurance with the following endorsements shall be furnished to the City:

(a) Additional Named Insured Endorsement
Such insurance outlined in 1 and 2 above shall also apply to the City of Lodi, its elected and appointed Boards, Commissions, Officers, Agents, Employees, and Volunteers as additional insureds but only for third party claims causing bodily injury or property damage as a result of negligence. (This endorsement shall be on a form furnished to the City and shall be included with Contractor's policies.)

(b) Primary Insurance Endorsement
Such insurance outlined in 1 and 2 above eds shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the insurance afforded by this endorsement.

(c) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability or transfer any rights or duties.

(d) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 W. Pine St., Lodi, CA 95240; but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

Compensation Insurance The Contractor shall take out and maintain during the life of this contract, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this contract at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. A waiver of subrogation is required for workers compensation insurance. This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 W. Pine St., Lodi, CA 95240; but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

NOTE: No contract agreement will be signed nor will any work begin on a project until the proper insurance certificate

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING CITY MANAGER TO EXECUTE
PROFESSIONAL SERVICES AGREEMENT WITH
ROBERT HALF TECHNOLOGY

==========

WHEREAS, for the past two and a half years, the Information Systems Division (ISD) has utilized a contract employee to help cover the desktop support workload; and

WHEREAS, the day-to-day activities of this contract position include troubleshooting desktop PC problems, installing software, assisting City staff with technical questions, and completing other related tasks as assigned by ISD staff; and

WHEREAS, the proposed contract with Robert Half Technology is for 24 months, and is for an amount not to exceed $110,000 for that two-year period; and

WHEREAS, this agreement provides the staffing flexibility needed by the Information Systems Division at the lowest cost; and

WHEREAS, staff recommends that the City Manager be authorized to execute the Professional Services Agreement with Robert Half International Inc., dba Robert Half Technology; and

WHEREAS, staff further recommends authorizing the City Manager to execute up to two (2) 2-year extensions of the Professional Services Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute the Professional Services Agreement with Robert Half International Inc., dba Robert Half Technology; and

BE IT FURTHER RESOLVED, that the City Manager is authorized to execute up to two (2) 2-year extensions of the Professional Services Agreement.

Date: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the Lodi City Council in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-13

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving the Agreement Between the City of Lodi and Spare Time, Inc., dba Twin Arbors Athletic Club, for the Summer Swim League Program

MEETING DATE: May 7, 2014

PREPARED BY: Parks, Recreation and Cultural Services Director

---

RECOMMENDED ACTION: Adopt resolution approving the agreement between the City of Lodi and Spare Time, Inc., dba Twin Arbors Athletic Club, for the Summer Swim League Program.

BACKGROUND INFORMATION: The Parks, Recreation and Cultural Services Department currently provides a summer swim league program to more than 400 children. This City has had a contract for the use of the Twin Arbors Athletic Club ("TAAC") pool since 2003.

As a way of accommodating facility needs, staff has partnered with TAAC to gain access to its pools. In exchange, TAAC is allowed to organize its own team and participate in the City-sponsored Summer Swim League. The benefits of the public/private partnership are twofold: (1) It provides the City use of aquatic facilities that the City does not have; and, (2) It creates another program offering for TAAC which has resulted in the expansion of the Summer Swim League.

Staff recommends approval of the agreement, which will enable the swimming pools at TAAC to be used for swim meets and allow for a team composed of TAAC members to participate in the league. Meets will be held on select Friday nights in June and July 2014. The term of this agreement is May 27, 2014 to July 18, 2014.

FISCAL IMPACT: No funds will be exchanged. This is an in-kind trade. The use of multiple pools (TAAC, Tokay High School, Lodi High School and Blakely Pool) will enhance scheduling efficiency, allow for Friday night versus Saturday meets, and thus save operation and maintenance costs at Blakely Pool.

FUNDING AVAILABLE: Not applicable.

_____

Jeff Hood
Parks, Recreation and Cultural Services Director

JMR:tl

Attachments
cc: City Attorney

APPROVED: _____
Stephen Schwabauer, Interim City Manager

MEMORANDUM OF UNDERSTANDING
(Summer Swim League)

THIS Memorandum of Understanding ("Agreement") is entered into as of this ___ day of _____, 2014, by Spare Time Incorporated, d.b.a. Twin Arbors Athletic Club, ("TAAC") and the CITY OF LODI, a municipal corporation ("City").

Background

A. City's Parks, Recreational and Cultural Services Department operates a six week summer swim league at the City owned Enze Pool, Lodi High School Pool and Tokay High School Pool. Currently, the City has four teams, each comprised of approximately 100 participants, TAAC also operates swimming programs at its privately owned pool facilities at 2040 W. Cochran Rd, Lodi, and 1900 S Hutchins St, Lodi, CA.

B. TAAC again desires to organize a team to participate in the summer swim league. City is willing to permit TAAC to do so during the City's 2014 summer swim league. However, in order to accommodate the fourth team, City requires the use of one or both of TAAC's pool facilities.

C. Accordingly, the parties enter into this Agreement on the terms and conditions set forth below.

Agreement

In consideration of their mutual covenants, the Parties agree as follows:

1. Participation. TAAC and City agree that TAAC will establish an additional team named the "Dolphins" comprised of the members of its club to participate in the City's summer swim league.

2. Administration. Generally, the Dolphins team and its members will be treated identically to the City teams, and the Dolphins will practice at TAAC's facilities. Dolphins team members will register with and pay the City's Parks and Recreation program fees. City will pay the Dolphins coach the same stipend paid to the City coaches. City shall have the right to oversee and supervise the Dolphin's coach and program, including all appropriate background checks of Dolphins' staff (whether paid or volunteer) and monitoring practices and swim meets to ensure compliance with all applicable laws, regulations, and City standards. TAAC shall cooperate with City's efforts to perform background checks and monitoring.

3. Fees/Recruiting Prohibited. No fees, other than those referred to in paragraph 2 of this Agreement and TAAC's standard membership fee shall be charged to any Dolphin team member. Members must be an active member of TAAC as of May 1st of the current year. However, TAAC like other teams may accept donations and have fundraisers to solicit sponsorships. TAAC shall not engage in any efforts to recruit memberships during swim meets. TAAC shall not recruit members of City teams and TAAC members who wish to retain their affiliation with a City team must not be pressured to join the TAAC team. However, TAAC will be permitted to inform its members that it is establishing a team to compete in the City's 2014 summer swim league, and that TAAC members may join TAAC's team by signing up through the City's Parks and Recreation Department subject to being an active member of TAAC as of May 1st of the current year.

4. Use of Facilities. During the term of this Agreement, TAAC agrees to allow the use of its facilities, including but not limited to the showers, dressing areas, bathrooms, and spectator areas for Dolphins practice and for swim meets between any teams in the summer swim league Monday through Thursday. No fees shall be charged to (1) the City for use TAAC's facilities; or (2) any child or spectator for any purpose, including but not limited to entry fees, or shower fees, during the swim meets. TAAC shall have the right to designate which of its Lodi pool facilities will be used for practices on whatever notice it deems appropriate and shall also have the right to designate which of its Lodi pool facilities will be used for swim meets on at least 30 days written notice to City, as long as practices are consistent with above times. The meets held at TAAC pools will involve the Dolphins and a City team. At no time will two City teams use TAAC pool for swim meets. Swim meets may be held on the following Friday evenings from 4:30 p.m. to 8:30 p.m. at the TAAC pool: June 20, 27 and July 11, 2014.

5. Term. The term of this Agreement shall be from May 27, 2014 to July 18, 2014, unless otherwise terminated as provided herein.

6. Maintenance. TAAC shall, at its own expense, maintain its Lodi premises and pool facilities and any buildings and or equipment on or attached to the premises in a safe condition, in good repair and in a manner suitable to City. City shall be entitled to inspect TAAC's pool facilities upon demand to ensure compliance with this paragraph.

7. Utilities. TAAC shall provide utility service to the premises at its sole cost and expense.

8. Attorney Fees. In any action between the parties arising out of or related to this contract, the prevailing party shall be entitled to all expenses incurred therefor, including reasonable attorney fees.

9. Optional Termination. Either party may terminate this Agreement in writing upon at least 48 hours prior written notice. In the event of an early termination, the City, in its sole discretion, will determine which one of the following options to give to the entire Dolphins team:

a. Join another of the teams in the City's 2014 summer swim league;

b. Continue on the Dolphins team for the remainder of the season with a coach to be supplied by the City without the use of the TAAC facilities; or

c. Terminate their participation in the league and receive a pro-rated refund of the fees paid to the City's Parks, Recreational and Cultural Services Department.

10. Indemnity and Insurance.

a. Indemnification by City: Except to the extent caused by the negligence or intentional misconduct of TAAC or of any agent, servant or employee of TAAC, City ("Indemnitor") shall, at its sole cost and expense, indemnify and hold harmless TAAC and all associated, affiliated, allied and subsidiary entities of TAAC, now existing or hereinafter created, and their respective officers, boards, employees, agents, attorneys, and contractors (hereinafter referred to as "Indemnitees"), from and against:

i. Any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses and consultants), which may be imposed upon, incurred by or be asserted against the Indemnitees by reason of any act or omission of City, its personnel, employees, agents, contractors or subcontractors on the Premises, resulting in personal injury, bodily injury, sickness, disease or death to any person or damage to, loss of or destruction of tangible or intangible property, or any other right of

any person, firm or corporation, to the extent arising out of or resulting from the operation and/or maintenance of the summer swim league or City's failure to comply with any applicable federal, state or local statute, ordinance or regulation.

b. Indemnification by TAAC: Except to the extent caused by the negligence or intentional misconduct of City or of any agent, servant or employee of City, TAAC ("Indemnitor") shall, at its sole cost and expense, indemnify and hold harmless City and all associated, affiliated, allied and subsidiary entities of City, now existing or hereinafter created, and their respective officers, boards, commissions, employees, agents, attorneys, and contractors (hereinafter referred to as "Indemnitees"), from and against:

i. Any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses and consultants), which may be imposed upon, incurred by or be asserted against the Indemnitees by reason of any act or omission of TAAC, its personnel, employees, agents, contractors or subcontractors on the TAAC premises, resulting in personal injury, bodily injury, sickness, disease or death to any person or damage to, loss of or destruction of tangible or intangible property, or any other right of any person, firm or corporation.

c. Defense of Indemnitees: In the event any action or proceeding shall be brought against the Indemnitees by reason of any matter for which the Indemnitees are indemnified hereunder, Indemnitor shall, upon reasonable prior written notice from any of the Indemnitees, at Indemnitor's sole cost and expense, resist and defend the same with legal counsel mutually selected by the parties; provided however, that the parties must not admit liability in any such matter without written consent, which consent must not be unreasonably withheld, conditioned or delayed, nor enter into any compromise or settlement of, any claim for which they are indemnified hereunder, without prior written consent. The indemnifying party's duty to defend shall begin upon receipt of a written notice identifying with specificity the allegations that give rise to this duty to defend and shall be co-extensive with the indemnifying party's indemnification obligation.

d. Notice, Cooperation and Expenses: Each party must give the other prompt written notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this paragraph. Nothing herein shall be deemed to prevent either party from cooperating with the other and participating in the defense of any litigation by its own counsel. However, Indemnitor shall pay all reasonable expenses incurred by Indemnitees in response to any such actions, suits or proceedings. These expenses shall include all reasonable out-of-pocket expenses such as reasonable attorney fees and shall also include the reasonable value of any services rendered by Indemnitees' attorney, and the actual reasonable expenses of Indemnitees' agents, employees or expert witnesses, and disbursements and liabilities assumed by Indemnitees in connection with such suits, actions or proceedings but shall not include attorneys' fees for services that are unnecessarily duplicative of services provided Indemnitees by Indemnitor.

If Indemnitor requests Indemnitee to assist it in such defense, then Indemnitor shall pay all reasonable expenses incurred by Indemnitee in response thereto, including defending itself with regard to any such actions, suits or proceedings. These expenses shall include all reasonable out-of-pocket expenses such as attorney fees and shall also include the reasonable costs of any services rendered by Indemnitee's attorney, and the actual reasonable expenses of Indemnitee's agents, employees or expert witnesses, and disbursements and liabilities assumed by Indemnitee in connection with such suits, actions or proceedings.

e. Insurance: During the term of the Agreement, both parties must maintain, or cause to be maintained, in full force and effect and at their sole cost and expense, the types and limits of insurance as set forth in Exhibit A, attached hereto and made a part hereof.

f. Evidence of Insurance: TAAC shall file certificates of insurance for each insurance policy required to be obtained in compliance with this paragraph, along with written evidence of payment of required premiums with the City annually during the term of the Agreement. City shall immediately advise TAAC in writing of any claim or litigation that may result in liability to TAAC. TAAC shall immediately advise City in writing of any claim or litigation that may result in liability to City.

g. Self-Insurance: The City's insurance requirements set forth herein may be satisfied by a self insurance program that complies with all laws and regulations governing self insurance.

13. Notices. Except as otherwise provided for in this Agreement to the contrary, all notices, demands and other communications required or contemplated to be given under this Agreement shall be in writing and shall be delivered either by (i) postage prepaid, Returned Receipt Requested, Registered or Certified Mail, (ii) local or air courier messenger service, (iii) personal delivery, or (iv) facsimile addressed to the party or parties for whom intended at the address shown below or such other address as the intended recipient previously shall have designated by written notice from time to time (provided, however, notice of a change of address or facsimile number shall be effective only upon receipt):

To City:
Parks, Recreation & Cultural Services
P. O. Box 3006
221 W. Pine Street
Lodi, CA 94240
Fax: (209) 333-0162
Attn: Jeff Hood, Director

To TAAC:
Twin Arbors Athletic Club
1900 S Hutchins Street
Lodi, CA 95242
Phone: (209) 334-4897
Attn: Dennis Kauffman, General Manager

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and assigns.

15. Non-Waiver. Failure of either party to insist on strict performance of any of the conditions, covenants, terms or provisions of this Agreement or to exercise any of its rights here under shall not waive such rights, but either party shall have the right to enforce such rights at any time and take such action as might be lawful or authorized hereunder, either in law or equity.

16. Miscellaneous.

a. TAAC and City represent that each, respectively, has full right, power, and authority to execute this Agreement.

b. This Agreement constitutes the entire agreement and understanding of the parties and supersedes all offers, negotiations, and other agreements of any kind. There are no

representations or understandings of any kind not set forth herein. Any modification of or amendment to this Agreement must be in writing and executed by both parties.

c. This Agreement shall be construed in accordance with the laws of the State of California.

This Agreement was executed as of the date first set forth above and effective as of the date set forth in introduction above.

City of Lodi, a municipal corporation

By _____
Stephen Schwabauer
Interim City Manager

Spare Time Incorporated,
dba Twin Arbors Athletic Club

By _____
Dennis Kaufman
General Manager

Attest:

_____
Randi Johl-Olson
City Clerk

Dated:_____

Approve as to Form:

_____
Janice D. Magdich
Interim City Attorney

Insurance Requirements for Contractor The Contractor shall take out and maintain during the life of this Agreement, insurance coverage as listed below. These insurance policies shall protect Contractor and any subcontractor performing work covered by this Agreement from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, or by any subcontractor, or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. COMPREHENSIVE GENERAL LIABILITY
   $1,000,000 Each Occurrence
   $2,000,000 General Aggregate

2. COMPREHENSIVE AUTOMOBILE LIABILITY
   $1,000,000 Combined Single Limit
   Such insurance shall cover liability arising out of any vehicle (including, owned, hired and non-hired vehicles) operated in performing any and all services pursuant to this Agreement. Coverage shall be written on ISO form CA 00 01 12 90, or a later version of this form, or an equivalent form providing equivalent liability coverage.

All limits are to be designated strictly for the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. All deductibles or self-insured retentions (SIR) must be disclosed to City's Risk Manager for approval and shall not reduce the limits of liability set forth hereinabove. Insurance policies containing any deductible or SIR provision shall provide, or be endorsed to provide, that the deductible or SIR may be satisfied by either the Named Insured(s) or the City of Lodi.

It is required that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth above, shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (i) the minimum coverage and limits specified in these insurance requirements; or (ii) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Contractor; whichever is greater.

Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

A copy of the certificate(s) of insurance with the following endorsements shall be furnished to the City:

(a) Additional Named Insured Endorsement
Pursuant to a separate endorsement (ISO form CG 2010 (11/85) or equivalent form) such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers as additional named insureds.

(b) Primary and Non-Contributory Insurance Endorsement
Additional insurance coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as ISO form CG 20 01 04 13.

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95241-1910; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

Insurance Requirements for Contractor (continued)

(c) Limits of Coverage
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance of Contractor shall contain, or be endorsed to contain, a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect the City as a named insured.

(d) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

(e) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

(f) Continuity of Coverage
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance.

(g) Failure to Comply
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding and other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(h) Qualified Insurer(s)
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

Workers Compensation Insurance The Contractor shall take out and maintain during the life of this Agreement, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this Agreement at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. A waiver of subrogation is required for workers compensation insurance. This policy may not be canceled nor the coverage reduced without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

NOTE: The City reserves the right to obtain a full certified copy of any insurance policy or endorsements required. Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING AGREEMENT BETWEEN THE CITY
OF LODI AND SPARE TIME, INC., dba TWIN
ARBORS ATHLETIC CLUB, FOR USE OF POOLS AT
TWIN ARBORS ATHLETIC CLUB FACILITIES

==========

WHEREAS, the Parks, Recreation and Cultural Services Department currently provides a summer swim league program to more than 400 children; and

WHEREAS, this program continues to grow, with no additional facilities available to expand the program; and

WHEREAS, over the years, City staff has partnered with Twin Arbors Athletic Club to gain access to its pools in order to expand the program; and

WHEREAS, the benefits of the public/private partnership have been twofold: 1) it has provided the City use of aquatics facilities that it does not currently have; and 2) it has created another program offering for Twin Arbors Athletic Club, which has resulted in the expansion of the Summer Swim League; and

WHEREAS, staff therefore recommends that the City Council approve the agreement, which would allow the swimming pools at Twin Arbors Athletic Club to be used for swim meets, practices and allow a team comprised of Twin Arbors members to participate in the league.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the agreement between the City of Lodi and Spare Time, Inc., dba Twin Arbors Athletic Club, for use of pools at Twin Arbors Athletic Club facilities for the period May 27, 2014 to July 18, 2014.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-14

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolutions Authorizing the City Manager to Execute a Power Management and Administrative Services Agreement, Amended and Restated Facilities Agreement, Amended and Restated Scheduling Coordination Program Agreement, and Second Amended and Restated Pooling Agreement with Northern California Power Agency

MEETING DATE: May 7, 2014

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt resolutions authorizing the City Manager to execute a Power Management and Administrative Services Agreement, Amended and Restated Facilities Agreement, Amended and Restated Scheduling Coordination Program Agreement, and Second Amended and Restated Pooling Agreement with Northern California Power Agency.

BACKGROUND INFORMATION: Northern California Power Agency (NCPA) currently provides various Power Management and Administrative services to its members, such as the City of Lodi, pursuant to multiple service based agreements including a Facilities Agreement (FA), Scheduling Coordination Program Agreement (SCPA) and Pooling Agreement (PA). Many of these agreements were developed prior to the deregulation of the wholesale electric industry, and therefore require modification to make them consistent with current electric utility industry requirements. Updates are also needed to make these agreements consistent with how costs associated with such services are allocated to members of NCPA in accordance with current NCPA Commission approved policies.

In addition, NCPA has developed a new agreement, the Power Management and Administrative Services Agreement, that will work together with the updated FA, SCPA and PA, and will act as a routing agreement to clearly identify (1) which service agreements a member is required to sign in order to take certain services from NCPA, and (2) how costs associated with Power Management and Administrative Services are allocated among the members who receive such services from NCPA.

These agreements have been written to mitigate cross-member risk and are structured to insulate members who do not take certain services from NCPA from risks inherent in the services and transactions undertaken by NCPA on behalf of any given member or group of members. In addition, the agreements are designed to clearly assign costs attributed to particular services and to ensure that the members who take certain services are obligated to assume all obligations that result from NCPA's actions in performing the services.

Exhibit A, attached hereto, provides a summary of each of the agreements described above, in addition to the proposed revisions and updates.

APPROVED: _____

Stephen Schwabauer, Interim City Manager

The Risk Oversight Committee received a report on this agenda item and recommended City Council approval.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

_____
Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Melissa Price, Rates & Resources Manager

EAK/MP/lst

Exhibit A
Summary of Northern California Power Agency (NCPA) Governance Agreements

NEW Power Management and Administrative Services Agreement

Purpose: To clearly identify which service agreements a member is required to sign, in order to take certain services from NCPA and how costs associated with those services are allocated among the members who receive such services from NCPA.

Amended and Restated Facilities Agreement

Purpose: Sets forth the terms and conditions under which NCPA may acquire, finance and plan for the addition of NCPA Projects, manage, maintain, operate, schedule and perform billing for NCPA Projects.

Proposed Revisions/Updates:

- NCPA Commission quorum and voting procedures updated for acting upon matters related to general administration of the agreement versus matters pertaining to NCPA projects.
- NCPA General Manager duties expanded to include acting as project manager for NCPA projects, acquisition of Greenhouse Gas (GHG) compliance instruments, meter and meter equipment installation and maintenance requirements, and provision of scheduling coordination services for NCPA projects.
- New procedures established for Facilities Committee voting and quorum requirements.
- Clarification of NCPA project participation.
- Notice obligations established for project participants who choose to sell, transfer, assign or exchange their project participation percentage share of a NCPA project or project attributes.
- Billing and payment provisions made consistent with current billing and payment practices.
- Clear and transparent admission and withdrawal procedures established.
- Settlement and arbitration procedures made consistent across all agreements.

Amended and Restated Scheduling Coordination Program Agreement

Purpose: Sets forth the terms and conditions under which NCPA may provide Scheduling Coordination Services including, but not limited to, submission of schedules and bids on behalf of members, obtaining and maintaining settlement quality meter data, performing outage coordination for planned and unplanned outages, validation and reconciliation of California Independent System Operator (CAISO) settlement charges and credits, and allocating CAISO charges and credits among members.

Proposed Revisions/Updates:

- Language added to enable NCPA to act as either Scheduling Coordinator or Scheduling Agent on behalf of a member.
- Updated to enable NCPA to provide Scheduling Coordination Services on behalf of member owned and contracted resources.
- Language incorporated to clarify that each member taking Scheduling Coordination Services from NCPA shall act as an Operating Entity and provide schedules and bids to NCPA in accordance with the NCPA Power Scheduling Guide.
- Language added to address liability associated with scheduling member owned and contracted resources.
- Billing and payment provisions made consistent with current billing and payment practices.
- Clear and transparent admission and withdrawal procedures established.
- Settlement and arbitration procedures made consistent across all agreements.

Second Amended and Restated Pooling Agreement

Purpose: Sets forth the terms and conditions under which NCPA may provide Power Pool Management Services to members including, but not limited to, load, resource and price forecasting, resource planning and optimization, energy and capacity transaction activities, risk analysis and management, pre-scheduling, scheduling and dispatch activities, power pool operations and settlement standards, contract administration, industry restructuring, and advocacy activities.

Proposed Revisions/Updates:

- NCPA Commission quorum and voting procedures updated for acting upon matters related to the agreement.
- Duties of NCPA added to and clarified to enable NCPA to acquire GHG compliance instruments on behalf of members to satisfy compliance obligations resulting from Power Pool Management Service activities.
- Clarification regarding how NCPA develops and uses load and resource balance information to manage the Pool portfolio.
- Language incorporated to clarify NCPA's obligation to act as an Operating Entity on behalf of the Pool members.
- Transparent methods established for allocating costs attributed to Power Pool Management Services, and procedures established for how a Pool member may request that such allocation methodology be reviewed for equity.
- Billing and payment provisions made consistent with current billing and payment practices.
- Clear and transparent admission and withdrawal procedures established.
- Settlement and arbitration procedures made consistent across all agreements.
- Various Pooling Schedules updated to ensure the procedures reflected in such are consistent with current business practices.

POWER MANAGEMENT AND ADMINISTRATIVE SERVICES AGREEMENT

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This POWER MANAGEMENT AND ADMINISTRATIVE SERVICES AGREEMENT is dated as of _____, 20__ by and among the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), and the signatories to this Agreement other than NCPA ("Participants"). NCPA and the Participants are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. NCPA has heretofore been duly established as a public agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

B. Each of the Participants is a signatory to the Joint Powers Agreement which created NCPA and therefore is a Member.

C. The Participants desire NCPA to establish facilities, staff and the capability for providing Power Management and Administrative Services, including, but not limited to, Scheduling Coordination Services, real time dispatch, power pool management, resource management, settlements, risk management, and direct assignment activities.

D. NCPA has established facilities, staff and the capability for the efficient and cost effective provision of Power Management and Administrative Services to the Participants, pursuant to this Agreement, the Service Agreements and Good Utility Practice.

E. Power Management and Administrative Services benefit all Members who receive such services from NCPA. Power Management and Administrative Services are an integral part of NCPA's business function and are necessary in order to manage, operate, maintain and support NCPA and Member investments and service obligations.

F. An agreement is necessary to formalize the contractual relationships between NCPA and the Participants with regards to the role, scope, governance, and the equitable allocation of costs associated with Power Management and Administrative Services supplied by NCPA to the Participants.

G. This Agreement establishes the framework under which Participants shall enter into one or more Service Agreements with NCPA to take certain Power Management and Administrative Services from NCPA, and how costs associated with such services are to be allocated among the Participants receiving such services.

H. Each Participant agrees to pay its equitable share of costs associated with NCPA's provision of Power Management and Administrative Services in accordance with this Agreement and the Service Agreements.

I. The Participants further desire, insofar as possible, to insulate other Members, whether or not such Members are also Participants, from risks inherent in the services and transactions undertaken on behalf of any given Participant or group of Participants.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definitions.

1.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings:

1.1.1 "Administrative Services Costs" means that portion of the NCPA administrative, general and occupancy costs and expenses, including those costs and expenses associated with the operations, direction and supervision of the general affairs and activities of NCPA, general management, treasury operations, accounting, budgeting, payroll, human resources, information technology, facilities management, salaries and wages (including retirement benefits) of employees, facility operation and maintenance costs, taxes and payments in lieu of taxes (if any), insurance

premiums, fees for legal, engineering, financial and other services, power management services, general settlement and billing services and general risk management costs, that are charged directly or apportioned to Power Management and Administrative Services Annual Budget categories.

1.1.2 "Agreement" means this Power Management and Administrative Services Agreement.

1.1.3 "All Resources Bill" means the single, combined monthly bill from NCPA to a Participant with respect to all NCPA services, programs and NCPA Projects.

1.1.4 "Amended and Restated Facilities Agreement" or "Facilities Agreement" means that agreement dated as of _____, 20__ between NCPA and the Members who are signatories to that agreement which establishes the framework under which Project Agreements are created for the development, design, financing, construction, and operation of NCPA Projects.

1.1.5 "Amended and Restated Market Purchase Program Agreement" or "Market Purchase Program Agreement" means the NCPA Amended and Restated Market Purchase Program Agreement dated as of September 10, 2012 by and between NCPA and the Members who are signatories to that agreement by which NCPA transacts Approved Products.

1.1.6 "Amended and Restated Scheduling Coordination Program Agreement" or "Scheduling Coordination Program Agreement" or "SCPA" means that agreement dated as of _____, 20__ between NCPA and the Members who are signatories to that agreement by which NCPA provides Scheduling Coordination Services.

1.1.7 "Annual Budget" means the NCPA budget for the current Fiscal Year adopted by the Commission, or in the event a two-year budget is adopted by the Commission if permitted by the NCPA Commission Bylaws or the Joint Powers Agreement, means the two-year budget for the applicable period.

1.1.8 "Approved Products" has the meaning as defined in the Amended and Restated Market Purchase Program Agreement.

1.1.9 "Balance of Month Transaction" means a purchase or sale of electric energy, capacity and/or other related attributes for a term not greater than one month to be performed or delivered within the current or next succeeding calendar month.

1.1.10 "Business Day" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time.

1.1.11 "Calendar Day" means all days, including Saturdays, Sundays or Federal Reserve Bank holidays.

1.1.12 "California Independent System Operator Corporation" or "CAISO" means the non-profit public benefit corporation responsible for the provision of fair and open transmission access, and maintaining reliable and efficient operation of that portion of the electric grid contained within its defined balancing authority area, pursuant to the California Public Utilities Code, or its successor entity.

1.1.13 "CAISO Tariff" means the CAISO FERC Electric Tariff.

1.1.14 "CARB" means the California Air Resources Board, or its successor organization.

1.1.15 "CARB Offset Credit" means a tradable compliance instrument issued by CARB pursuant to the GHG Regulations that represents a GHG reduction or GHG removal enhancement of one metric ton of carbon dioxide ("CO_2").

1.1.16 "CARB Sector-Based Offset Credit" means a credit issued by CARB pursuant to the GHG Regulations from a sector-based crediting program once the crediting baseline for a sector has been reached.

1.1.17 "Commission" means the NCPA Commission established by the Joint Powers Agreement.

1.1.18 "Commissioner" means a voting member of the Commission.

1.1.19 "Contract Transaction" has the meaning as defined in the Amended and Restated Market Purchase Program Agreement.

1.1.20 "Electric System" means, with respect to each Participant except the San Francisco Bay Area Rapid Transit District ("BART") and the City of Oakland, all properties and assets, real and personal, tangible and intangible, of the Participant now or hereafter existing, used or pertaining to the generation for resale, transmission, transformation, distribution or sale of electric capacity and energy, or the utilization of such, including all additions, extensions, expansions, improvements and betterments thereto and equipment thereof, and in the case of BART all properties and assets, real and personal, tangible and intangible, of the Participant now or hereafter existing, used or pertaining to its public transportation system, and in the case of the City of Oakland, all properties and assets, real and personal, tangible and intangible, of the Participant now or hereafter existing, used or pertaining to the Port of Oakland (as defined in the Charter of the City of Oakland); provided, however, that to the extent the Participant is not the sole owner of an asset or property or to the extent that an asset or property is used in part for generation for resale, transmission,

transformation, distribution or sale of electric capacity and energy, only the Participant's ownership interest in such asset or property or only the part of the asset or property used for electric purposes (or public transportation or Port of Oakland purposes in the case of BART or the City of Oakland, respectively) shall be considered to be part of its Electric System.

1.1.21 "Emissions Allowance" means a limited tradable authorization to emit up to one metric ton of carbon dioxide equivalent issued either pursuant to the GHG Regulations or federal law.

1.1.22 "Energy Risk and Counterparty Risk Management Regulations" means that certain NCPA Energy Risk and Counterparty Risk Management Regulations, version 1.7, approved September 24, 2012.

1.1.23 "Energy Risk Management Policy" means that certain NCPA Energy Risk Management Policy, version 1.3, approved June 16, 2011.

1.1.24 "Facilities Committee" or "Committee" means the committee established pursuant to Section 5 of the Amended and Restated Facilities Agreement.

1.1.25 "FERC" means the Federal Energy Regulatory Commission, or its regulatory successor.

1.1.26 "First Phase" of a NCPA Project means the initial planning stage conducted pursuant to the provisions of Section 6 of the

Amended and Restated Facilities Agreement and prior to the declaration of such Project as constituting a "NCPA Project" by the Commission.

1.1.27 "Fiscal Year" means the NCPA fiscal year; currently the twelve month period beginning July 1 and ending on the following June 30.

1.1.28 "General Manager" means the General Manager of NCPA.

1.1.29 "GHG Compliance Instrument" means any instrument, including but not limited to, Emission Allowance, CARB Offset Credit or CARB Sector-Based Offset Credit that can be used to fulfill a GHG emission compliance obligation imposed by the State or federal government.

1.1.30 "GHG Regulations" means the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanism regulations codified at 17 Code of California Regulations sec. 95801 *et seq.*, and adopted by CARB in compliance with the Global Warming Solutions Act ("AB 32", California Health & Safety Code sec. 95801 *et seq.*).

1.1.31 "Good Utility Practice" means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry within the United States of America during the relevant time period, which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected

to accomplish the desired result at the lowest reasonable cost consistent with NERC or WECC approved business practices, reliability and safety. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the electric utility industry within the United States of America.

1.1.32 "Greenhouse Gas" or "GHG" means carbon dioxide ("CO_2"), methane ("CH_4"), nitrous oxide ("N_2O"), sulfur hexafluoride ("SF_6"), hydrofluorocarbons ("HFCs"), perfluorocarbons ("PFCs"), and other fluorinated gasses.

1.1.33 "Joint Powers Agreement" means the Amended and Restated Northern California Power Agency Joint Exercise of Powers Agreement dated as of January 31, 2008.

1.1.34 "Lodi Energy Center" or "LEC" means the NCPA Lodi Energy Center, a 280 MW combined cycle generation facility located in Lodi, California.

1.1.35 "Long-Term Transaction" means a purchase or sale of natural gas, electric power, capacity, transmission and/or other related attributes to be performed or delivered for a duration longer than a Balance of Month Transaction.

1.1.36 "Member" means any member of NCPA or associate member of NCPA who is a signatory to the Joint Powers Agreement.

1.1.37 "MSSA Agreement" means the Third Amended and Restated NCPA MSS Aggregator Agreement.

1.1.38 "Natural Gas Program Agreement" means the NCPA Natural Gas Program Agreement dated as of July 11, 2011 between NCPA and the Members who are signatories to that agreement by which NCPA purchases natural gas.

1.1.39 "NCPA" has the meaning set forth in the recitals hereto.

1.1.40 "NCPA Commission Bylaws" means the Rules of Procedure for the Commission of the Northern California Power Agency as adopted by resolution of the Commission.

1.1.41 "NCPA Project" means any Project undertaken by NCPA and one or more of its Members, other than the Lodi Energy Center, and which Project may also include a non-member as a participant, which has progressed beyond the First Phase (preliminary survey and investigation) pursuant to Section 6 of the Amended and Restated Facilities Agreement, and which has been designated by the Commission as a NCPA Project.

1.1.42 "NERC" means the North American Electric Reliability Corporation, or its successor.

1.1.43 "Operating Agreement" means any agreement, other than the Amended and Restated Facilities Agreement, that is entered into subsequent to or concurrently with a Third Phase Agreement, and that establishes the principles, procedures and rules for operating and maintaining a specific NCPA Project.

1.1.44 "Operating Entity" means a Project Participant, or a group of Project Participants, that determines the use of and coordinates scheduling of their Project Participation Percentage share of energy and capacity of a NCPA Project with NCPA, in accordance with established scheduling requirements, including those requirements determined by NCPA. NCPA may act as an Operating Entity for a Project Participant, or a group of Project Participants, pursuant to separate agreement.

1.1.45 "Operating Service Agreement" means an Operating Service Agreement between NCPA and one or more Members, utilizing the Professional Services/Operating Agreement adopted by the Commission, by which NCPA provides specific services, as described in the subject agreement, related to the operation of Member resources and other investments.

1.1.46 "Participant" has the meaning set forth in the recitals of this Agreement. Each Participant shall be a Member. Participants to this Agreement are listed in Schedule 1 of this Agreement.

1.1.47 "Party" or "Parties" has the meaning set forth in the recitals hereto; provided that "Third Parties" are entities that are not party to this Agreement.

1.1.48 "Pool Member" means a signatory to the Second Amended and Restated Pooling Agreement.

1.1.49 "Power Management and Administrative Services" means services provided by NCPA to the Members, pursuant to this Agreement and the Service Agreements, including, but not limited to, Scheduling Coordination Services, real time dispatch, power pool management, resource management, settlements, energy risk management, and direct assignment, administrative and support activities related to the foregoing.

1.1.50 "Power Management and Administrative Services Schedules" or "Schedules" means the principles and/or procedures adopted by the Commission, which are appended to and made part of this Agreement, and are subject to change or amendment from time to time pursuant to Section 11.6.2.

1.1.51 "Power Management Services Costs" are costs associated with NCPA's provision of Power Management and Administrative Services, including, but not limited to, those costs and expenses associated with Scheduling Coordination Services, real time dispatch, power pool management, resource management, settlements, energy risk management, and direct assignment, administrative and support activities related to the foregoing. Power Management Services Costs do not include that portion of the NCPA administrative, general and occupancy costs and expenses that are charged directly or apportioned to Power Management and Administrative Services Annual Budget categories; rather such costs are accounted for as Administrative Services Costs.

1.1.52 "Project" means a generation facility, transmission facility, natural gas facility, Long-Term Transaction, or other resource directly related to the Participants' business. Provided, however, that any Long-Term Transaction entered into pursuant to the Amended and Restated Market Purchase Program Agreement, Natural Gas Program Agreement, or other separate Service Agreements shall not be deemed to be a Project under the Amended and Restated Facilities Agreement.

1.1.53 "Project Agreement" or "NCPA Project Agreement" means an agreement including any Second Phase Agreement, Third Phase

Agreement or Operating Agreement, between NCPA and Project Participants, to enable NCPA, on behalf of Project Participants, to carry out plans for the construction, operation, delivery and financing of a NCPA Project.

1.1.54 "Project Indenture of Trust" means a document that contains the terms and conditions (such as the interest rate, maturity, date, convertibility, representations and covenants) governing a bond issuance as between NCPA and a bond trustee with respect to the financing of a NCPA Project.

1.1.55 "Project Participant" is a signatory to the Amended and Restated Facilities Agreement which enters into a Project Agreement with NCPA with respect to a particular NCPA Project.

1.1.56 "Project Participation Percentage" means the percentage of participation of a Project Participant in a NCPA Project as set forth in a Project Agreement. Project Participant Percentage is also commonly referred to as Project Entitlement Percentage, Project Entitlement Share, Participation Percentage or Generation Entitlement Share, each of which are synonymous.

1.1.57 "Revenues" means , with respect to each Participant with the exception of BART, all income, rents, rates, fees, charges, and other moneys derived by the Participant from the ownership or operation of its

Electric System, including, without limiting the generality of the foregoing: (a) all income, rents, rates, fees, charges or other moneys derived from the sale, furnishing and supplying of electric capacity and energy and other services, facilities, and commodities sold, furnished, or supplied through the facilities of its Electric System; (b) the earnings on and income derived from the investment of such income, rents, rates, fees, charges or other moneys to the extent that the use of such earnings and income is limited by or pursuant to law to its Electric System; and (c) the proceeds derived by the Participant directly or indirectly from the sale, lease or other disposition of all or a part of the Electric System, but the term Revenues shall not include (i) customers' deposits or any other deposits subject to refund until such deposits have become the property of the Participant or (ii) contributions from customers for the payment of costs of construction of facilities to serve them. In regards to BART, Revenues means, all income, rents, rates, fees, charges, grants, fares or tariffs, subventions and other moneys derived by the Participant from the operation of its Electric System including, without limiting the generality of the foregoing, (i) the earnings on and income derived from the investment of such income, rents, rates, fees, charges grants, fares or tariffs, subventions or other moneys and (ii) the proceeds derived by the Participant directly or indirectly from the sale, lease or other disposition of all or a part of its assets,

but the term Revenues shall not include any moneys derived from sources the use of which is limited by law to expenditures other than operating expenses.

1.1.58 "Scheduling Agent" means an entity authorized to act as agent on behalf of a Scheduling Coordinator, and shall perform certain Scheduling Coordinator duties and requirements on behalf of a Scheduling Coordinator.

1.1.59 "Scheduling Coordinator" means an entity certified by the CAISO for the purposes of undertaking the functions of a Scheduling Coordinator specified in the CAISO Tariff, including, but not limited to, submitting and settling bids, self-schedules, and trades in the CAISO markets.

1.1.60 "Scheduling Coordination Services" means the scheduling and settlement services provided by NCPA pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

1.1.61 "Second Amended and Restated Pooling Agreement" or "Pooling Agreement" means the NCPA Second Amended and Restated Pooling Agreement dated as of _____, 20__ between NCPA and the Members who are signatories to that agreement which establishes an operating resource pool to jointly manage Pool Members' collective portfolios of loads and resources.

1.1.62 "Second Phase" means the second stage of NCPA Project planning and design pursuant to an agreement ("Second Phase Agreement") between one or more of the Members and NCPA to proceed beyond the First Phase with study, design, or development of a NCPA Project.

1.1.63 "Service Agreements" mean the Amended and Restated Facilities Agreement, the Amended and Restated Scheduling Coordination Program Agreement, the Second Amended and Restated Pooling Agreement, the Amended and Restated Market Purchase Program Agreement, the Natural Gas Program Agreement, an Operating Service Agreement, a Single Member Services Agreement, or other agreements that may be developed by the Commission from time to time to provide services to Participants as described in Schedule 2 of this Agreement. Project Agreements are not considered to be Service Agreements under the context of this Agreement.

1.1.64 "Single Member Services Agreement" means a NCPA Single Member Services Agreement for Special Transactions between NCPA and a Member utilizing the pro forma NCPA Single Member Services Agreement adopted by the Commission, by which NCPA provides special services to the Member as described in the subject agreement relating to the operation of Member resources and other investments.

1.1.65 "State" means the State of California.

1.1.66 "Third Phase" means the third stage of a NCPA Project pursuant to an agreement ("Third Phase Agreement") between one or more of the Members and NCPA to participate in the financing, construction, operation, and/or rights to the capacity, energy and/or other attributes of a NCPA Project.

1.1.67 "Third Party" means an entity (including a Member) that is not a Party to this Agreement.

1.1.68 "Uncontrollable Forces" means storm, flood, lightning, earthquake, tsunami, fire, explosion, failure of facilities not due to lack of proper care or maintenance, civil disturbance, labor dispute, sabotage, war, national emergency, restraint by court or public authority, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other causes beyond the control of the affected Party which such Party could not reasonably have been expected to avoid by exercise of Good Utility Practice, due diligence and foresight.

1.1.69 "WECC" means the Western Electricity Coordinating Council, or its successor(s).

1.1.70 "Withdrawing Participant" has the meaning set forth in Section 7.2 of this Agreement.

1.2 Rules of Interpretation. As used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise: The terms "herein," "hereto," "herewith" and "hereof" are references to this Agreement taken as a whole and not to any particular provision; the term "include," "includes" or "including" shall mean "including, for example and without limitation;" and references to a "Section," "subsection," "clause," "Appendix", "Schedule", or "Exhibit" shall mean a Section, subsection, clause, Appendix, Schedule or Exhibit of this Agreement, as the case may be. All references to a given agreement, instrument, tariff or other document, or law, regulation or ordinance shall be a reference to that agreement, instrument, tariff or other document, or law, regulation or ordinance as such now exists and as may be amended from time to time, or its successor. A reference to a "person" includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having a separate legal personality and includes its successors and permitted assigns. A reference to a "day" shall mean a Calendar Day unless otherwise specified. The singular shall include the plural and the masculine shall include the feminine, and *vice versa*.

Section 2. Purpose. The purpose of this Agreement is to (i) set forth the terms and conditions under which NCPA will provide efficient and cost effective

Power Management and Administrative Services to a Participant, (ii) establish the framework under which a Participant shall enter into this Agreement and one or more Service Agreements with NCPA to obtain Power Management and Administrative Services from NCPA, and (iii) specify how costs associated with NCPA's provision of Power Management and Administrative Services are to be allocated among the Participants based on having participated in a NCPA Project or having executed one or more Service Agreements.

Section 3. **Power Management and Administrative Services.** Power Management and Administrative Services benefit all Members who receive such services from NCPA, and Power Management and Administrative Services are an integral part of NCPA's business function and are necessary in order to manage, operate, maintain and support NCPA and Member investments and service obligations. A Member who receives Power Management and Administrative Services from NCPA shall become a Participant to this Agreement, and shall become a signatory to one or more Service Agreements, based on the type of Power Management and Administrative Services that Participant receives from NCPA, as further set forth in this Agreement.

3.1 NCPA Project and Service Agreements. NCPA provides Power Management and Administrative Services to Participants pursuant to the terms and conditions of this Agreement, the Project Agreements, and the individual

Service Agreements. A Participant receives particular Power Management and Administrative Services from NCPA as an obligation of NCPA, by virtue of being a signatory to the relevant Project Agreements or Service Agreements under which NCPA provides or causes the provision of required services. The scope and application of each Service Agreement is described in Schedule 2 of this Agreement.

Pursuant to the amendment provisions contained in this Agreement and each respective Service Agreement, the signatories of said agreements may amend the terms and conditions of each agreement as deemed necessary. The Participants agree to conduct a periodic review of each agreement to determine if any terms or provisions of the agreements require amendment. Such periodic review shall be conducted at least every five (5) years from the Effective Date of this Agreement. The parties of each respective agreement shall act in good faith and shall cooperate in conducting such periodic review. If based on the outcome of such periodic review process the Participants determine that an agreement or agreements require amendment, such amendments shall be made in accordance with the amendment provisions contained in each respective agreement.

3.2 Power Management and Administrative Services Categories. Power Management and Administrative Services are categorized based on the type and function of services provided. Costs associated with Power

Management and Administrative Services are accounted for based on the relevant categories of the services established by the Commission, or as otherwise set forth by the Commission in the Annual Budget. The functional categories that describe the types of Power Management and Administrative Services provided by NCPA in support of NCPA Projects and the Service Agreements are described in Schedule 3 of this Agreement.

Section 4. **Cost Allocation.** Costs associated with Power Management and Administrative Services, including Administrative Services Costs and Power Management Services Costs, shall be allocated among the Participants in accordance with methodologies and principles established by the Commission from time to time, as set forth in Schedule 4 of this Agreement.

4.1 Power Management and Administrative Services Costs. Each Participant agrees to and acknowledges its obligation to pay its allocated share of costs associated with Power Management and Administrative Services, including Power Management Services Costs and the portion of Administrative Services Costs allocated to Power Management and Administrative Services, as invoiced in its All Resources Bill subject to any applicable Project Agreement or Service Agreement dispute resolution provisions or procedures.

Section 5. **Administration of Agreement.**

5.1 Commission. The Commission is responsible for the administration of this Agreement. Each Participant shall be represented by its Commissioner or their designated alternate Commissioner ("Alternate") pursuant to the Joint Powers Agreement. Each Commissioner shall have authority to act for the Participant represented with respect to matters pertaining to this Agreement.

5.2 Forum. Whenever any action anticipated by this Agreement is required to be jointly taken by the Participants, such action shall be taken at regular or special meetings of the Commission.

5.3 Quorum. For acting upon matters pertaining to this Agreement, a quorum of the Commission shall consist of those Commissioners, or their designated Alternates, representing a numerical majority of the Participants.

5.4 Voting.

5.4.1 General Administration. For acting upon matters that relate to general administration of this Agreement, each Participant shall have the right to cast one (1) vote. Actions of the Commission shall be effective only upon a majority vote of the Participants.

5.4.2 Power Management and Administrative Services Functional Categories and Cost Allocation Methodology. For acting upon matters that relate to the establishment of Power Management and

Administrative Services functional categories, as set forth in Schedule 3, or the methodology for allocating costs associated with Power Management and Administrative Services, as set forth in Schedule 4, the following voting procedure shall be used. Actions of the Commission regarding Schedule 3 and Schedule 4 shall be effective only upon both of the following conditions being satisfied:

(i) each Participant shall have the right to cast one (1) vote, and actions of the Commission shall be effective only upon an affirmative vote of eighty percent (80%) or more of the Participants; and

(ii) each Participant shall have the right to cast one (1) vote and each Participant's vote shall be weighted based on its percentage share of Power Management and Administrative Services Costs, including the portion of Administrative Services Costs allocated to Power Management and Administrative Services, as such costs are set forth in the prior Fiscal Year budget. Actions of the Commission shall be effective only upon an affirmative vote of sixty five percent (65%) or more of the weighted shares of the Participants; provided, however, if the voting right of any Participant exceeds thirty five percent (35%) that Participant's voting right shall be limited to thirty five percent (35%) and the Participant's voting right percentage in excess of thirty

five percent (35%) shall be proportionally reassigned to the Participants whose voting right percentage is less than thirty five percent (35%).

5.5 Adoption and Amendment of Annual Budget. Annually, the Commission shall adopt an Annual Budget, which includes, but is not limited to, all costs attributed to Power Management and Administrative Services, for at least the next succeeding Fiscal Year in accordance with the Joint Powers Agreement and this Agreement. Provided, however, that the Commission may in its discretion adopt a two-year budget if permitted to do so by the NCPA Commission Bylaws or the Joint Powers Agreement.

5.6 Facilities Committee. The Facilities Committee has been established pursuant to the Amended and Restated Facilities Agreement to act as an advisory committee to the Commission. The Commission or General Manager may refer matters pertaining to the administration of this Agreement to the Facilities Committee for review and recommendation, including, but not limited to, proposed amendments to this Agreement and to the Power Management and Administrative Services Schedules. If the Commission or General Manager refers matters pertaining to the administration of this Agreement to the Facilities Committee, NCPA will provide a copy of the public notice of the Facilities Committee meeting at which the matter will be discussed to the Participants. The Facilities Committee may act upon such matters referred

to it by the Commission in accordance with the procedures, including the general administration quorum and voting procedures, set forth in the Amended and Restated Facilities Agreement. Any recommendations of the Facilities Committee shall be made to the Commission, Project Participants, and others, as appropriate, in coordination with the General Manager.

Section 6. Term and Termination.

6.1 Effective Date. This Agreement shall become effective on the first day of the month after which it has been duly executed by all Participants, and delivered to and executed by NCPA (the "Effective Date"). NCPA shall notify all Participants in writing of the Effective Date.

6.2 Term and Termination. This Agreement shall continue in full effect until terminated by consent of all Parties.

Section 7. Admission and Withdrawal of Participants.

7.1 Admission of a New Participant. Subsequent to the initial Effective Date, a Member who is not a Participant, and who desires to receive Power Management and Administrative Services from NCPA or is required to take such services (e.g. a Project Participant), shall become a Participant by executing this Agreement. Such Member will become a Participant effective on the date of its delivery to NCPA of an executed counterpart of this Agreement.

7.2 Withdrawal of Participants. Any Participant may withdraw from this Agreement ("Withdrawing Participant") by: (1) submitting notice, in writing to all Parties at least two (2) years in advance of the effective date of such withdrawal, provided that such withdrawal shall only be effective on the last day of a Fiscal Year and that the Withdrawing Participant has fully satisfied all obligations it has incurred under this Agreement not later than the effective date of withdrawal; and (2) fully withdrawing its participation in the Service Agreement or Service Agreements it is signatory to, under which the Participant receives Power Management and Administrative Services, pursuant to the terms and conditions for withdrawal or termination specified in said Service Agreement or Service Agreements not later than the effective date of withdrawal from this Agreement; provided, however, if the withdrawal or termination provisions specified in the Service Agreement or Service Agreements in which the Withdrawing Participant is signatory require a notice of withdrawal or termination of less than two (2) years, the length of withdrawal notice required under this Agreement shall be made to be coterminous with the greatest length of notice contained in said Service Agreement or Service Agreements. The withdrawal requirements stated herein may be altered upon mutual agreement between NCPA and the Withdrawing Participant whereby all un-discharged liabilities, credits or obligations of the Withdrawing Participant, including any

contingent liabilities, credits or obligation, are fully satisfied. NCPA and the Withdrawing Participant shall negotiate in good faith and shall cooperate in reaching such mutual agreement. The two (2) year duration of the notice requirement may be waived or reduced by the Commission in its sole discretion. Notwithstanding the provisions of this Section 7.2, a participant under the Amended and Restated Facilities Agreement that terminates its membership in the joint powers agency pursuant to the Joint Powers Agreement, but has not withdrawn is participation in the Amended and Restated Facilities Agreement, shall continue its participation in the Amended and Restated Facilities Agreement as a non-Member participant pursuant to Section 15.5 of the Amended and Restated Facilities Agreement. Withdrawal by any Participant shall not terminate this Agreement as to the remaining Participants.

Pursuant to the respective Project Agreements, NCPA shall make available or cause to be made available services so that a Project Participant may receive its Project Participation Percentage share of capacity and energy from a NCPA Project. The Participants acknowledge and agree that one way NCPA may satisfy its obligation to cause or make available such services to the Participants is through the provision of Power Management and Administrative Services under this Agreement and the Service Agreements to the extent that

NCPA performs its obligations under this Agreement and the Service Agreements.

7.3 No Effect on Prior Liabilities. Withdrawal by any Participant will not terminate any ongoing or un-discharged liabilities, credits or obligations, including any contingent liabilities, credits or obligations, resulting from this Agreement until they are satisfied in full, or such Withdrawing Participant has provided a mechanism acceptable to NCPA, for the satisfaction in full thereof.

7.4 Associated Costs. A Withdrawing Participant shall reimburse NCPA for any and all costs resulting from the withdrawal, including but not limited to the legal, accounting, and administrative costs of winding up and assuring the complete satisfaction and discharge of the Withdrawing Participant's liabilities, credits or obligations, including any contingent liabilities, credits or obligations.

Section 8. Power Management and Administrative Services Schedules. Power Management and Administrative Services Schedules may be established for the implementation of this Agreement. Power Management and Administrative Services Schedules provide detailed descriptions, procedures, protocols and guidelines for the provision and allocation of services provided under this Agreement and the Service Agreements. Power Management and

Administrative Services Schedules may be established, repealed or amended by the Commission in accordance with this Agreement.

Section 9. **Precedence of Agreement.** Where there is any conflict between this Agreement and the Joint Powers Agreement, a Project Agreement, a Service Agreement or a NCPA Project Indenture of Trust, the provisions in the Joint Powers Agreement, Project Agreement, Service Agreement or NCPA Project Indenture of Trust shall control.

Section 10. **Settlement of Disputes and Arbitration.**

10.1 Settlement of Disputes. The Parties agree to make best efforts to settle all disputes among themselves connected with this Agreement as a matter of normal business under this Agreement. The procedures set forth in the remainder of this Section shall apply to all disputes that cannot be settled by the Participants themselves.

10.2 Facilities Committee and Commission Resolution. All disputes connected with this Agreement that cannot be resolved by the Parties themselves, may be submitted by any Party to the Facilities Committee, which shall consider the matter at its next regular meeting held not less than thirty (30) Calendar Days after the submission of the matter to it. If the Facilities Committee cannot resolve a dispute within thirty (30) Calendar Days after said

meeting, the dispute shall be submitted by the Facilities Committee to the Commission.

The Commission shall consider the matter at its next regular meeting held not less than thirty (30) Calendar Days after the submission of the matter to it. If the Commission cannot resolve a dispute within thirty (30) Calendar Days after said meeting, any Party to the dispute may commence mediation pursuant to Section 10.3.

The Facilities Committee and the Commission shall make best efforts to resolve all disputes submitted to them through discussion and negotiations. At any time during this process a Party or the Commission may suggest that a mediator with experience in the utility industry be asked to assist in such discussions and negotiations.

10.3 Mediation.

10.3.1 If informal dispute resolution by the Facilities Committee and Commission, as described in Section 10.2, fails, then prior to engaging in the arbitration outlined in Section 10.5, the Parties shall first attempt to settle any controversy or claim arising out of or relating to this Agreement, or breach thereof, through a mediation process by a disinterested third person, acceptable to the affected Parties. A formal mediation request shall be

submitted to the General Manager by any Party within ten (10) Calendar Days of the failure of dispute resolution by the Commission.

10.3.2 Once a mediation request is submitted by any Party, unless the Parties otherwise agree upon a mediator, each affected Party shall have thirty (30) Calendar Days in which to present to the General Manager a list of not more than three (3) disinterested mediators, each of whom shall preferably have experience in the utility industry and the subject matter area in question. Each Party in turn, in the order in which the lists are received by the General Manager, with NCPA exercising its turn last, may exercise the right to reject one (1) name from the list of mediators until only one (1) name is remaining. That person shall act as mediator. Any affected Party failing to present a list to the General Manager shall waive its right to participate in the selection of the mediator.

10.3.3 Each Party participating in the mediation shall bear its own attorney's fees and costs in preparing for and conducting the mediation, except that the joint costs, if any, of the actual mediation proceeding, including all costs of the mediator, shall be shared equally by all the Parties participating in the mediation. Mediation proceedings shall not extend beyond ninety (90) Calendar Days without the agreement of each of the Parties participating in the mediation.

10.4 Expedited Dispute Resolution Procedure.

10.4.1 At any time that a Party believes that a dispute exists which cannot be timely resolved under procedures set forth in Section 10.2 and 10.3, written notice shall be promptly provided by the Party to the General Manager and the Parties. Such notice shall provide a detailed explanation of the dispute and the position(s) of the Parties to the dispute. The notice shall also provide an explanation of why the dispute cannot be timely resolved under the procedures set forth in Section 10.2 and 10.3.

10.4.2 Upon receipt of such notice, the General Manager shall determine what actions are appropriate to effectuate a resolution of the dispute. In the event that the General Manager cannot effectuate a resolution of the dispute satisfactory to all Parties participating in the dispute resolution within five (5) Business Days of receipt of such notice, the General Manager shall immediately notify the Chair of the Commission and provide copies of the notice to the Chair together with any comments of the General Manager, concerning the dispute.

10.4.3 Upon receipt of such notice, the Chair of the Commission shall either place the dispute on the agenda of the next regular meeting of the Commission occurring not less than two (2) weeks from the date of receipt for the purpose of having the Commission mediate the dispute, or, if deemed

necessary by the Chair in his or her discretion, due to the need for timely resolution, call a special meeting of the Commission for the purpose of having the Commission mediate the dispute. If the Commission cannot effectuate a resolution of the dispute within thirty (30) Calendar Days of such meeting, any affected Party may immediately invoke the provisions of Section 10.5.

10.5 Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof, which is not resolved by mediation or expedited dispute resolution as provided in Section 10.2, 10.3 or 10.4, shall be settled by binding arbitration in accordance with the procedures set forth in this Section 10.5. Provided, however, that the provisions of this Section 10.5 may be invoked by a Party only following the exhaustion of the remedies provided in Sections 10.2, 10.3 or 10.4, and any dispute, controversies or claims not raised in the manner provided therein are deemed waived.

10.5.1 Schedule. Unless otherwise agreed, if the disputing Party fails to commence arbitration within ninety (90) Calendar Days after the mediation process fails, as provided for in Section 10.3, or the failure of the expedited dispute resolution process, as provided for in Section 10.4, the disputing Party shall be deemed to have waived all claims with respect to such dispute.

10.5.2 Arbitration Rules. Except as otherwise provided in this Section, the arbitration shall be governed by the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Notwithstanding such rules: (1) discovery shall be permitted and the provisions of California Code of Civil Procedure Section 1283.05 are incorporated by reference herein; except that, the Parties shall not use interrogatories as a means of discovery; and (2) if such AAA rules and provisions as herein modified shall conflict with the laws of the State of California then in force, then California law shall govern.

10.5.3 Commencement and Notice. A Party (the "Initiating Party") may commence arbitration by serving written notice of its intent to commence arbitration upon the other Parties. The written notice shall express the Initiating Party's intent to institute arbitration under this Agreement, and shall in adequate detail set forth the nature of the dispute, the issue to be arbitrated, the Initiating Party's position thereon, and the remedy to be sought by such arbitration.

10.5.4 Response. Within thirty (30) Calendar Days of the receipt of the notice commencing arbitration and statement of the dispute and proposed remedy prepared pursuant to Section 10.5.3, each Party desiring to respond (each a "Responding Party") shall serve a written response upon the

Initiating Party and the other Parties stating its understanding of the issues in dispute, its position thereon, the reasons supporting its position and its proposed remedy. The notices and statements required under Section 10.5.3 and this Section shall constitute the "Submittal Statements." The Initiating Party and the Responding Party or Responding Parties are jointly referred to as "the Arbitrating Parties." All Parties shall be bound by the decision of the arbitrator, whether or not the Party is an Arbitrating Party.

10.5.5 Selection and Qualifications of Arbitrator. Within thirty (30) Calendar Days after delivery of the Initiating Party's written notice to commence arbitration, the Arbitrating Parties shall meet for the purpose of selecting a single impartial arbitrator. Unless otherwise agreed, in the event the Arbitrating Parties are unable to agree on the selection of an arbitrator at such meeting, they shall, within fifteen (15) Calendar Days of such meeting, request the American Arbitration Association (or a similar organization if the American Arbitration Association should not at that time exist) to provide a list of five (5) impartial arbitrators from which to select the arbitrator. The proposed arbitrators shall be available to serve and shall be skilled and experienced in the field of the dispute.

No person shall be eligible for appointment as an arbitrator who is a member of a governing board, an officer or an employee of any of the

Parties (whether or not such Party is an Arbitrating Party) or is otherwise interested in the matter to be arbitrated.

Within thirty (30) Calendar Days after the date of receipt of such list, the Arbitrating Parties shall take turns striking names from said list until the arbitrator has been selected by being the last name remaining on the list. The order of the Arbitrating Parties (and where more than four (4) Arbitrating Parties exist, the identity of the Arbitrating Parties eligible to exercise the right to strike names) striking names will be selected randomly by drawing lots in a manner decided by the General Manager. Provided, however, that the Initiating Party shall always have the right to strike a name and that NCPA shall always have the last opportunity to strike a name. After each name is stricken from the list, the next Arbitrating Party will have two (2) Business Days to strike a name from the list. If an Arbitrating Party fails to timely strike a name, it waives its right to strike names, but the remaining Arbitrating Parties shall continue to strike names in their turn, until only one (1) name is remaining. That person shall act as arbitrator. Within ten (10) Calendar Days after selection of the arbitrator, each of the Arbitrating Parties shall submit to the arbitrator their Submittal Statements previously prepared and exchanged.

10.5.6 Arbitration Schedule. Within ten (10) Calendar Days after the submission of the Submittal Statements to the arbitrator, or as may otherwise be scheduled by the arbitrator in his or her discretion, the Arbitrating Parties shall meet with the arbitrator to establish a schedule for discovery, initial hearing, the time for the arbitrator to issue a decision after the close of hearing and any other rules for consideration. Should an Arbitrating Party fail to comply with any schedule established under this Section in a timely manner, that Arbitrating Party shall be deemed to have waived all claims with respect to the dispute. Such schedule may be modified by agreement of the Arbitrating Parties and the arbitrator.

10.5.7 Settlement. The Arbitrating Parties may settle the dispute at any time before the issuance of the arbitrator's decision.

10.5.8 Arbitrator's Authority and Decision. The arbitrator may grant any remedy or relief that is just and equitable and within the scope of this Agreement and the Submittal Statements. Thus, the arbitrator may effectuate a compromise among the Arbitrating Parties taking into account each Arbitrating Party's Submittal Statement.

The arbitrator shall issue a written decision which shall include findings of fact and conclusions of law with respect to the issues involved in the dispute. The arbitrator shall make his or her decision in accordance with

Good Utility Practice. The arbitrator may not grant any remedy or relief which is inconsistent with this Agreement or the Joint Powers Agreement. The arbitrator shall specify the time within which the Arbitrating Parties shall comply with the decision. In no event shall the arbitrator's decision contain findings on issues not contained in, or grant a remedy beyond that sought in, the Submittal Statements. The arbitrator shall have no authority to award punitive or consequential damages. The arbitrator shall have no authority, power or jurisdiction to alter, amend, change, modify, add to, or subtract from any of the provisions of this Agreement, the Joint Powers Agreement, or any other agreement between NCPA and its Members, nor to consider any issues arising other than from the language in and authority derived from this Agreement.

10.5.9 Binding Arbitration. The decision of the arbitrator shall be final and binding upon all Parties (whether or not Arbitrating Parties) and the Parties shall take whatever action is required to comply with the decision. The decision of the arbitrator may be enforced by any court or agency having jurisdiction.

10.5.10 Arbitration and Enforcement Expenses. Each Arbitrating Party shall bear its own expenses, including arbitrator's fees, attorney's fees and the fees and charges of expert witnesses, associated with

the arbitration. Provided, that if a resolution of the dispute is reached before the arbitrator issues an award, such expenses shall be borne as agreed by the Arbitrating Parties. Any and all expenses incurred by NCPA shall be treated as Power Management Services Costs.

Should any Party fail to abide by the decision of the arbitrator, any other Party may immediately seek relief in law or equity as may be appropriate. In such event, the prevailing Party shall be entitled to damages, if any, caused by the non-prevailing Party's failure to abide by the arbitrator's decision, and expenses caused by the enforcement of the arbitrator's decision, including, but not limited to, attorney's fees and the fees and charges of expert witnesses.

Section 11. Miscellaneous.

11.1 Confidentiality. The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement, to the extent possible, consistent with applicable laws, including the California Public Records Act. Confidential or trade secret information shall be marked or expressly identified as such.

If a Party ("Receiving Party") receives a request from a Third Party for access to, or inspection, disclosure or copying of, any of the other Party's (the "Supplying Party") confidential data or information ("Disclosure Request"), then

the Receiving Party shall provide notice and a copy of the Disclosure Request to the Supplying Party within three (3) Business Days of receipt of the Disclosure Request. Within three (3) Business Days of receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Receiving Party shall deny the Disclosure Request and the Supplying Party shall defend the denial of the Disclosure Request at its sole cost, and it shall indemnify the Receiving Party for all costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the Receiving Party shall include all of the Receiving Party's costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to costs, penalties, and the Receiving Party's attorney's fees; or

(ii) the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

11.2 Indemnification and Hold Harmless. Subject to the provisions of Section 11.4, each Participant agrees to indemnify, defend and hold harmless

NCPA and its Members, including their respective governing boards, officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of litigation, including experts, to the extent caused by any acts, omissions, breach of contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of that Participant, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

11.3 Several Liabilities. Except as otherwise provided herein or in an applicable Service Agreement, no Participant shall be liable under this Agreement for the obligations of any other Participant, each Participant shall be solely responsible and liable for performance of its obligations under this Agreement and the obligation of each Participant under this Agreement is a several obligation and not a joint obligation with those of the other Participants.

11.4 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS

EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL NCPA OR ANY PARTICIPANT OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NCPA AND EACH PARTICIPANT EACH HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by

this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

11.5 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the Commission. Any such waiver by the Commission in any particular instance shall not be deemed a waiver with respect to any subsequent performance, default or matter.

11.6 Amendments.

11.6.1 Amendments in General. Except where this Agreement specifically provides otherwise, this Agreement may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

11.6.2 Addition, Amendment or Repeal of Power Management and Administrative Services Schedules. Any addition to, amendment to or repeal of the Power Management and Administrative Services Schedules attached hereto shall take effect after being approved by the Commission in a manner consistent with the voting procedures set forth in Section 5.4 of this Agreement, without the requirement of an approval of the individual Participants' governing bodies.

11.7 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

11.8 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

11.9 Headings. All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

11.10 Notices. Any notice, demand or request required or authorized by this Agreement to be given to any Party shall be in writing, and shall either be personally delivered to a Participant's Commissioner or Alternate, and to the General Manager, or shall be transmitted to the Participant and the General Manager at the addresses shown on the signature pages hereof. The designation of such addresses may be changed at any time by written notice given to the General Manager who shall thereupon give written notice of such change to each

Participant. All such notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail first class postage prepaid, or on the first Business Day following delivery through electronic communication.

11.11 Warranty of Authority. Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms. Upon execution of this Agreement, each Participant shall deliver to NCPA a resolution of the governing body of such Participant evidencing approval of and authority to enter into this Agreement.

11.12 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

11.13 Venue. In the event that a Party brings any action under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

11.14 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, each Party shall bear its own fees and costs, including attorneys' fees, associated with the action.

11.15 No Third Party Beneficiaries. Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties, to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.

11.16 Assignment. No Member may assign or otherwise transfer its rights and obligations under this Agreement without the express written consent of NCPA. Such consent may not be unreasonably withheld.

11.17 Counsel Representation. Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author

of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney's fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 11.2 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

IN WITNESS WHEREOF, NCPA and each Participant have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: General Counsel
Date: _____

CITY OF ALAMEDA
2000 Grand Street
P.O. Box H
Alameda, CA 94501

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: City Attorney
Date:_____

CITY OF BIGGS
465 "C" Street
Biggs, CA 95917

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

CITY OF GRIDLEY
685 Kentucky Street
Gridley, CA 95948

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

CITY OF HEALDSBURG
401 Grove Street
Healdsburg, CA 95448

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: City Attorney
Date: _____

CITY OF LODI
221 W. Pine Street
Lodi, CA 95240

ATTEST:

_____
Randi Johl-Olson
City Clerk

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: City Attorney
Date: _____

CITY OF LOMPOC
100 Civic Center Plaza
Lompoc, CA 93436

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: City Attorney
Date: _____

CITY OF OAKLAND, acting
by and through its
Board of Port Commissioners
530 Water Street
Oakland, CA 94607

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: Port General Counsel
Date: _____

CITY OF PALO ALTO
250 Hamilton Avenue
Palo Alto, CA 94301

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

PLUMAS-SIERRA RURAL
ELECTRIC COOPERATIVE
73233 Highway 70
Portola, CA 96122

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: General Counsel
Date: _____

CITY OF ROSEVILLE
311 Vernon Street
Roseville, CA 95678

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

CITY OF SANTA CLARA
1500 Warburton Avenue
Santa Clara, CA 95050

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: City Attorney
Date:_____

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, 16th Floor
Oakland, CA 94612

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: General Counsel
Date: _____

CITY OF UKIAH
300 Seminary Avenue
Ukiah, CA 95482

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: City Attorney
Date: _____

TRUCKEE DONNER PUBLIC UTILITY DISTRICT
11570 Donner Pass Rd
Truckee, CA 96161

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: General Counsel
Date: _____

SCHEDULE 1

LIST OF PARTICIPANTS

The following is a list of the Participants who are signatories to this Agreement:

City of Alameda
City of Biggs
City of Gridley
City of Healdsburg
City of Lodi
City of Lompoc
City of Oakland, acting by and through its Board of Port Commissioners
City of Palo Alto
City of Roseville
City of Santa Clara
City of Ukiah
Plumas-Sierra Rural Electric Cooperative
San Francisco Bay Area Rapid Transit District
Truckee Donner Public Utility District

SCHEDULE 2

SERVICE AGREEMENTS

Pursuant to this Agreement a Participant who desires to receive Power Management and Administrative Services from NCPA shall become a signatory to one or more Service Agreements based on the type and function of the services requested. The following is a description of the Service Agreements and identifies the Service Agreements a Participant is required to become a signatory to in order to receive Power Management and Administrative Services from NCPA, based on the type and function of the services received by the Participant.

Section 1. Service Agreements.

1.1 Amended and Restated Facilities Agreement. The Amended and Restated Facilities Agreement establishes the framework under which Project Agreements are created for the development, design, financing, construction and operation of NCPA Projects. The Amended and Restated Facilities Agreement also contains various schedules that include detailed principles, descriptions and procedures for managing, operating, scheduling, billing and settlement for the NCPA Projects.

A Participant that is a Project Participant, or who desires to become a Project Participant and enter into a Project Agreement for the purpose of developing, designing, financing, constructing and operating a NCPA Project, is

required to become a signatory to the Amended and Restated Facilities Agreement.

1.2 Amended and Restated Scheduling Coordination Program Agreement. The Amended and Restated Scheduling Coordination Program Agreement establishes the framework under which NCPA supplies Scheduling Coordination Services to the signatories of that agreement. Scheduling Coordination Services include, but are not limited to, (i) the submission of schedules and bids for load, resources (including, but not limited to NCPA Projects, Member owned generation, other generation resources, imports and exports), trades and/or other CAISO products in the CAISO energy and ancillary services markets, (ii) obtaining and maintaining settlement quality meter data, (iii) reviewing, validating, reconciling and allocating CAISO settlement charges and credits.

A Participant that (i) is a Project Participant in a NCPA Project, (ii) is a Pool Member, or (iii) desires to take Scheduling Coordination Services from NCPA (including, but not limited to, the provision of Scheduling Coordination Services to a non-NCPA Project resource), is required to become a signatory to the Amended and Restated Scheduling Coordination Program Agreement.

1.3 Second Amended and Restated Pooling Agreement. The Second Amended and Restated Pooling Agreement establishes the framework under

which the Pool Members have established an operating resource pool to jointly manage their collective portfolios of loads and resources. Pursuant to the Second Amended and Restated Pooling Agreement, NCPA has established the facilities, staff and capabilities to provide services to the Pool Members, including, but not limited to, load forecasting and resource planning, purchasing and selling energy, capacity and other related products, and providing centralized dispatch and scheduling services for Pool Member loads and resources.

A Participant that desires to become a Pool Member and receive the services provided by NCPA under the Second Amended and Restated Pooling Agreement is required to become a signatory to the Second Amended and Restated Pooling Agreement.

1.4 Amended and Restated Market Purchase Program Agreement. The Amended and Restated Market Purchase Program Agreement establishes the framework under which NCPA may negotiate and enter into Contract Transactions to purchase or sell Approved Products on behalf of a signatory to that agreement.

A Participant that desires NCPA to enter into Contract Transactions on its behalf is required to become a signatory to the Amended and Restated Market Purchase Program Agreement.

1.5 Natural Gas Program Agreement. The Natural Gas Program Agreement establishes the framework under which NCPA may enter into term agreements to purchase natural gas on behalf of a signatory to that agreement.

A Participant that desires NCPA to enter into term agreements to purchase natural gas on its behalf is required to become a signatory to the Natural Gas Program Agreement.

1.6 Single Member Services Agreement. The Single Member Services Agreement establishes the framework under which NCPA may provide special services to a single Member, in the nature of an advisor or agent, by which the Member may receive an advantage by avoiding the cost of the embedded expertise that it would have to employ in the absence of NCPA, and the risks associated therewith, so that the Member may, at its sole risk, and without hazard to NCPA and its other Members, receive benefits, when other NCPA Members may not share interests in a Member's specific effort.

A Participant that desires NCPA to supply special services that may not otherwise be available through other existing Service Agreements intended to provide the desired services to more than a single Participant, is required to become a signatory to a Single Member Services Agreement.

1.7 Operating Service Agreement. The Operating Service Agreement establishes the framework under which NCPA may provide certain services, as

described in the subject agreement, related to the operation of Member resources and other investments, where the services desired by the Member include specific requirements or are not otherwise available pursuant to an existing Service Agreement.

A Participant that desires NCPA to supply services that include specific requirements or that are not otherwise available pursuant to an existing Service Agreement is required to become a signatory to an Operating Service Agreement.

1.8 Special Conditions. From time to time special conditions or requirements for services may be requested from NCPA by a Participant under which no existing Service Agreement is available to satisfy such needs. At the sole discretion of the Commission, certain "one-off" agreements may be developed between NCPA and a Participant, or group of Participants, to enable NCPA to provide such special services. An example of such special services is the Power Management Agreement Between Northern California Power Agency and Truckee Donner Public Utility District, entered into on August 1, 2007.

A Participant, or group of Participants, that desires NCPA to supply special services that are not otherwise available under an existing Service Agreement may submit a written request to the General Manager for such special services, and at the sole discretion of the Commission, NCPA may agree

to develop certain agreements to provide such requested services to a Participant or group of Participants.

SCHEDULE 3

POWER MANAGEMENT AND ADMINISTRATIVE SERVICES CATEGORIES

Power Management and Administrative Services are categorized based on the type and function of services provided. NCPA supplies each of the following functional categories of Power Management and Administrative Services pursuant to and in support of the Service Agreements.

Section 1. Power Management and Administrative Services Categories.

1.1 Schedule Coordination. Scheduling Coordination Services include, but are not limited to, the development, validation and submission of schedules and bids to the CAISO and/or other balancing authority operator markets for NCPA and Member loads and resources, where NCPA acts as Scheduling Coordinator or Scheduling Agent, interchange management services, WECC and NERC compliance activities and support, and system control and data acquisition.

1.2 Real Time Dispatch. Real time dispatch services include, but are not limited to, monitoring and dispatching NCPA and Member loads and resources, outage coordination, management of unplanned outages and system emergencies, purchasing and selling energy and capacity in real time, and coordination and switching.

1.3 Power Pool Management. Power pool management services include, but are not limited to, load, resource and price forecasting, resource planning, optimization, risk analysis and management, pre-scheduling activities, power pool operations and settlement standards, contract administration, and industry restructuring and advocacy activities.

1.4 Resource Management. Resource management services include, but are not limited to, forecasting activities, resource planning, optimization, risk analysis and management, power and fuels transactions, pre-scheduling activities, contract administration, maintenance, negotiation and litigation support, and industry restructuring and advocacy activities.

1.5 Settlements. Power settlement services include, but are not limited to, CAISO settlement charge code validation and allocation, deal control tracking and data validation, contract support activities, analytical support to other NCPA business units and Members in the areas of energy transaction settlements and accounting, meter data validation and management, and development of the All Resources Bill and supporting information.

1.6 Risk Management. NCPA is responsible for providing risk management tools and procedures to protect Members from and mitigate risks inherent in the energy, natural gas, and other commodity trading markets, including the management and coordination of purchase and sale activities

within NCPA and Member risk management criteria. Common risk management activities performed by NCPA include, but are not limited to, assessment and management of NCPA and Member portfolio market exposure, monitoring economy and energy market developments, evaluating counterparty credit risk, maintaining policies and procedures, and organizing meetings with NCPA and Member staff to evaluate risk exposure and compliance with risk management policies established by the Commission. NCPA's provision of risk management services is made in accordance with the Energy Risk Management Policy and Energy Risk and Counterparty Risk Management Regulations.

1.7 Direct Assignment Activities. Direct assignment activities include, but are not limited to, information technology development, integration and maintenance used in conjunction with and in support of Power Management and Administrative Services (including software and hardware), term purchases and sales of energy, capacity, natural gas and other related attributes and commodities, market information and forecasting services, and other specific services provided as directed by the Commission from time to time, or in conjunction with or in support of the Service Agreements.

SCHEDULE 4

POWER MANAGEMENT AND ADMINISTRATIVE SERVICES COST ALLOCATION METHODOLOGY

Section 1. **Definitions.** Unless defined in this Schedule 4, all terms used in this Schedule 4 with initial capitalization shall have the same meaning as those contained in Section 1 of this Agreement:

1.1 "NCPA Power Management Cost Allocation Spreadsheet Model" shall mean the spreadsheet model first approved by the Commission, pursuant to Commission Resolution 10-16, that is based on the cost allocation principles and recommendations documented in the NCPA Power Management Cost Allocation Study Phase IIa Recommendations Final Report, dated January 14, 2010, as such spreadsheet model may be modified from time to time as directed by the Commission.

Section 2. **Cost Allocation Methodology.** Costs associated with Power Management and Administrative Services shall be allocated among the Participants in accordance with the NCPA Power Management Cost Allocation Spreadsheet Model.

AMENDED AND RESTATED
FACILITIES AGREEMENT

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This AMENDED AND RESTATED FACILITIES AGREEMENT ("this Agreement") is dated as of _____, 20__ by and among the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), and the signatories to this Agreement other than NCPA ("Participants"). NCPA and the Participants are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. NCPA has heretofore been duly established as a public agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

B. Each of the Participants other than the Turlock Irrigation District ("TID") is also a signatory to the Joint Powers Agreement which created NCPA and therefore is a Member. The Participants other than TID are referred to as "Member" or "Members".

C. Each of the Participants to this Agreement has executed one or more Project Agreements to participate in a NCPA Project or Projects.

D. Each Participant is authorized by its Constitutive Documents to obtain electric capacity and energy for its present or future requirements, through contracts with NCPA or otherwise.

E. The Participants desire NCPA to establish facilities, staff and the capability for planning for the addition of generation or transmission facilities, and for entering into long-term transactions and transmission services.

F. NCPA has established facilities, staff and the capability for planning for the addition of generation or transmission facilities, and for entering into long-term transactions and transmission services.

G. The Participants desire NCPA to maintain, operate and schedule the NCPA Projects in accordance with each respective Project Agreement, applicable market rules and Good Utility Practices for the benefit of the Participants.

H. The Members and NCPA have established and may again establish NCPA Projects for the supply of electric capacity, energy, and related attributes, and desire to clearly define and facilitate the activities of NCPA in connection with such NCPA Projects.

I. This Agreement establishes the framework under which Project Agreements are created for the development, design, financing, construction, and operation of specific NCPA Projects.

J. Each of the Parties intends to observe the provisions of this Agreement in good faith and shall cooperate with all other Parties in order to achieve the full benefits of joint design, construction, and operation of facilities.

K. The Parties desire to equitably allocate costs of NCPA's provision of services under this Agreement among the Participants.

L. This Agreement amends, restates and replaces that certain Facilities Agreement dated as of December 15, 1993, as amended by Amendment No. 1 dated as of April 1, 2011 (as amended, "the prior facilities agreement"), and the prior facilities agreement is hereafter of no further force or effect.

M. The Member Service Agreements between the Parties were superseded by the prior facilities agreement, and continue to have no further force or effect.

N. The Lodi Energy Center is independently governed pursuant to separate agreements, and therefore the terms and conditions of this Agreement do not apply to it.

O. The Participants further desire, insofar as possible, to insulate other Members, whether or not such Members are also Participants, from risks inherent in the services and transactions undertaken on behalf of any given Participant or group of Participants.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definitions.

1.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings, provided, capitalized terms used in this Agreement (including the Recitals hereto) that are not defined in Section 1 of this Agreement shall have the meaning indicated in Section 1 of the Power Management and Administrative Services Agreement:

1.1.1 "Administrative Services Costs" means that portion of the NCPA administrative, general and occupancy costs and expenses, including those costs and expenses associated with the operations, direction and supervision of the general affairs and activities of NCPA, general management, treasury operations, accounting, budgeting, payroll, human resources, information technology, facilities management, salaries and wages (including retirement benefits) of employees, facility operation and maintenance costs, taxes and payments in lieu of taxes (if any), insurance premiums, fees for legal, engineering, financial and other services, power management services, general settlement and billing services and general risk management costs, that are charged directly or apportioned to the development, financing, construction, improvement, maintenance, operation or decommissioning of a NCPA Project. Administrative Services Costs as

separately defined herein and used in the context of this Agreement is different and distinct from the term Administrative Services Costs as defined in Section 1 of the Power Management and Administrative Services Agreement.

1.1.2 "Agreement" means this Amended and Restated Facilities Agreement, including all Facilities Schedules.

1.1.3 "Constitutive Documents" means, with respect to NCPA, the Joint Powers Agreement and any resolutions or bylaws adopted thereunder with respect to the governance of NCPA, and with respect to each Participant, the California Government Code and other statutory provisions applicable to such Participant, any applicable agreements, charters, contracts or other documents concerning the formation, operation or decision making of such Participant, including, if applicable, its City Charter, and any codes, ordinances, bylaws, and resolutions adopted by such Participant's governing body.

1.1.4 "Defaulting Participant" has the meaning set forth in Section 10.2 of this Agreement.

1.1.5 "Event of Default" has the meaning set forth in Section 10.2 of this Agreement.

1.1.6 "Facilities Schedules" are the principles and/or procedures adopted by the Commission, which are appended to and made part of this Agreement, and are subject to change or amendment from time to time pursuant to Section 18.7.2.

1.1.7 "OSHA" means either the State or federal Occupational Safety and Health Administration, or their respective successors.

1.1.8 "Participant" has the meaning set forth in the recitals of this Agreement. Each Participant, other than TID, shall be a Member. Participants to this Agreement are listed in Facilities Schedule 1.

1.1.9 "Party" or "Parties" has the meaning set forth in the recitals hereto; provided that "Third Parties" are entities that are not Party to this Agreement.

1.1.10 "Power Management and Administrative Services Agreement" means the NCPA Power Management and Administrative Services Agreement, dated as of _____, 20__ between NCPA and the Members who are signatories to that agreement by which NCPA provides Power Management and Administrative Services.

1.1.11 "Project Costs" are costs associated with a NCPA Project authorized pursuant to this Agreement and/or Project Agreements.

1.1.12 "Third Party" means an entity (including a Member) that is not a Party to this Agreement.

1.1.13 "Turlock Irrigation District" or "TID" means the Turlock Irrigation District, a California Irrigation District.

1.1.14 "Withdrawing Participant" has the meaning set forth in Section 15.2 of this Agreement.

1.2 Rules of Interpretation. All words and references as used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise, shall be interpreted pursuant to Section 1.2 of the Power Management and Administrative Services Agreement.

Section 2. Purpose. The purpose of this Agreement is to set forth the terms and conditions under which NCPA may acquire, construct, finance and plan for the addition of NCPA Projects, and manage, maintain, operate, schedule and perform billing for NCPA Projects.

Section 3. Duties of the Commission.

3.1 Commission. The Commission is responsible for the administration of this Agreement. Each Member shall be represented by its Commissioner or their designated alternate Commissioner ("Alternate") pursuant to the Joint Powers Agreement. Each Commissioner shall have

authority to act for the Participant represented with respect to matters pertaining to this Agreement.

3.2 Duties and Authorities. In addition to the administration of this Agreement, the duties and authorities of the Commission are as specified in the Joint Powers Agreement, the NCPA Commission Bylaws, and all Project Agreements between NCPA and Project Participants.

3.3 NCPA Projects. The Commission shall take all action required of it in connection with NCPA Projects in a timely manner consistent with obligations pursuant to Project Agreements, other agreements between NCPA and Project Participants and as provided in this Agreement.

3.4 Forum. Whenever any action anticipated by this Agreement is required to be jointly taken by the Participants, such action shall be taken at regular or special meetings of the NCPA Commission.

3.5 Quorum.

3.5.1 General Administration. For purposes of acting upon matters that relate to general administration of this Agreement, such as, but not limited to, establishment of common billing procedures, a quorum of the Commission shall consist of those Commissioners, or their designated Alternates, representing a numerical majority of the Member Participants.

3.5.2 Relating to a NCPA Project. For purposes of acting upon matters that relate to a NCPA Project, or more than a single NCPA Project, a quorum of the Commission shall be established as provided for in the applicable Project Agreement.

3.6 Voting.

3.6.1 General Administration. For acting upon matters that relate to general administration of this Agreement, each Member Participant shall have the right to cast one (1) vote. Actions of the Commission shall be effective only upon a majority vote of the Member Participants.

3.6.2 Relating to a NCPA Project. For acting upon matters that relate to a NCPA Project, or more than a single NCPA Project, voting shall be in accordance with the applicable Project Agreement.

3.7 Adoption and Amendment of Annual Budget. Annually, the Commission shall adopt an Annual Budget, which includes, but is not limited to, all costs attributed to services provided under this Agreement, for at least the next succeeding Fiscal Year in accordance with the NCPA Joint Powers Agreement and this Agreement. Provided, however, that the Commission may in its discretion adopt a two-year budget if permitted to do so by the NCPA Commission Bylaws or the Joint Powers Agreement.

Section 4. Duties of the General Manager and NCPA Staff.

4.1 Reporting Authority. The General Manager shall report to, and be supervised by, the Commission pursuant to the JPA.

4.2 NCPA Staff. The General Manager shall hire such staff or consultants as necessary to carry out NCPA's obligations pursuant to this Agreement, within the constraints of the Annual Budget.

4.3 Duties and Authority. The General Manager, or NCPA staff designated by the General Manager, shall:

(a) Carry out directions of the Commission with respect to matters related to this Agreement;

(b) Direct, conduct, and administer First Phase Project studies;

(c) Direct and carry out all responsibilities of NCPA acting as project manager or agent that operates the project pursuant to this Agreement, Project Agreements, Facilities Schedules, Operating Agreements, or any other agreement between NCPA and Project Participants. Examples of said responsibilities include but are not limited to:

(1) Acquisition of property, easements, and water rights as necessary to construct and operate NCPA Projects;

(2) Obtaining federal, State, and local permits, licenses, opinions and rulings, as well as any environmental permits, allowances

or GHG Compliance Instruments, as necessary to construct and operate NCPA Projects;

(3) Directing the design and construction of NCPA Projects;

(4) Recommending methods for NCPA Project financing;

(5) Providing for the operation and maintenance of NCPA Projects, with contract support if necessary, in accordance with all applicable reliability standards, requirements, criteria and rules, and consistent with Good Utility Practice;

(6) Developing a billing system and invoicing Participants;

(7) Preparing and submitting proposed budgets for NCPA Projects for the ensuing Fiscal Year to the Commission and appropriate NCPA committees on such schedule as established by the Commission;

(8) Installing and maintaining meters and metering equipment for NCPA Projects in accordance with all applicable metering requirements and standards, including but not limited to all standards and requirements enforced in the CAISO Tariff;

(9) Providing Scheduling Coordination Services for NCPA Projects in accordance with the Amended and Restated Scheduling Coordination Program Agreement; and

(10) Presenting to the Facilities Committee proposed amendments to this Agreement and the Facilities Schedules for the Committee's review and recommendations.

4.4 Goals and Objectives. Each year, the General Manager shall propose to the Commission, specific goals and objectives for the NCPA staff as such relate to this Agreement. NCPA shall provide periodic reports to the

Commission regarding progress toward meeting the approved goals and objectives. Those goals and objectives pertaining to NCPA Projects shall be reviewed by the Facilities Committee.

Section 5. Facilities Committee.

5.1 Representation. The Facilities Committee is hereby established as an advisory committee to the Commission. Each Participant shall be entitled to identify a Primary Representative ("Primary Representative") to the Facilities Committee and Alternate Representatives ("Alternate Representative") by written notice from a Participant's Commissioner, or their designee, to the General Manager. Provided however, that TID's Primary Representative and Alternative Representative shall be identified by written notice from its general manager to the General Manager.

In the absence of the Primary Representative, the Alternate Representative shall have all the rights of the Primary Representative with respect to matters properly before the Facilities Committee under this Agreement. Primary and Alternate Representatives shall serve until replaced by the Participant through written notice from the Participant's Commissioner, or their designee (or, in the case of TID, its general manager), provided to the General Manager.

5.2 Officers and Staff. The Facilities Committee shall annually elect a chair and a vice-chair to serve for the ensuing year. The chair of the Facilities

Committee is responsible for managing Facilities Committee meetings, and in the absence of the Facilities Committee chair, the vice-chair shall assume the duties of the chair. Unless otherwise determined by vote of the Facilities Committee, the vice-chair of the Facilities Committee will automatically become the chair of the Facilities Committee following conclusion of the existing chair's annual term. The General Manager, or his or her designee, shall act as staff to the Facilities Committee. The General Manager shall designate a NCPA staff person to act as secretary of the Facilities Committee.

5.3 Recommendations. Recommendations of the Facilities Committee shall be made to the Commission, Project Participants, and others, as appropriate, in coordination with the General Manager.

5.4 Meetings. Meetings of the Facilities Committee shall be held at least quarterly and be conducted in accordance with the Ralph M. Brown Act. The Facilities Committee shall adopt a meeting schedule for the next calendar year prior to the end of each calendar year. The Facilities Committee secretary shall be responsible for the posting of all agendas, for the provision of notice of meetings to the Facilities Committee, and for the keeping of minutes reflecting the discussions and decisions of the Facilities Committee.

5.5 Quorum.

5.5.1 Quorum of the Facilities Committee. A quorum of the Facilities Committee shall consist of those Primary Representatives, or their designated Alternate Representatives, representing a numerical majority of the Participants.

5.5.2 Relating to a NCPA Project. Once a meeting of the Facilities Committee has been established pursuant to Section 5.5.1, for purposes of acting upon matters relating to a NCPA Project pursuant to this Agreement, a quorum of the Project Participants shall be required and shall consist of those Primary Representatives, or their designated Alternate Representatives, representing a numerical majority of a NCPA Project's Participants, or, in the absence of such, those Primary Representatives, or their designated Alternate Representatives, representing a NCPA Project's Participants having a combined Project Participation Percentage greater than 50%.

5.5.3 Relating to More than One NCPA Project. Once a meeting of the Facilities Committee has been established pursuant to Section 5.5.1, for purposes of acting upon matters relating to more than one NCPA Project pursuant to this Agreement, a quorum of the Project Participants for each involved NCPA Project must be separately established, pursuant to Section 5.5.2, before the Facilities Committee can take formal action.

5.6 Voting.

5.6.1 General Administration. For acting upon matters not directly related to a NCPA Project, the Primary Representatives, or their designated Alternate Representatives, of each Participant shall have the right to cast one (1) vote. Actions of the Facilities Committee shall be effective only upon a majority vote of the Participants.

5.6.2 Relating to a NCPA Project. Each Primary Representative, or designated Alternate Representative, to the Facilities Committee shall have the right to cast one (1) vote with respect to actions involving a NCPA Project in which such Project Participant has a Project Participation Percentage. Actions of the Facilities Committee involving a NCPA Project shall be effective and final upon a majority vote of the Project Participants present, subject to the following exception:

a) Upon demand of any Project Participant in the involved NCPA Project, at the meeting of the Facilities Committee, the vote on any issue relating to such NCPA Project shall be by Project Participation Percentage and sixty five percent (65%) or greater affirmative vote shall be required to take action.

5.6.3 Relating to More than One NCPA Project. For acting upon matters relating to more than one NCPA Project, a separate vote of each involved NCPA Project's Participants shall be required, and the voting

procedures specified in Section 5.6.2 shall apply. Actions of the Facilities Committee involving more than one NCPA Project shall be effective only upon an affirmative vote of the Project Participants for each affected NCPA Project.

5.6.4 Lack of Quorum. If the Facilities Committee is unable to satisfy the quorum requirements of Section 5.5 prior to casting a vote pertaining to matters involving general administration of this Agreement, a NCPA Project, or more than one NCPA Project, the result of such vote shall not be represented as an official vote of the Facilities Committee, but at the request of one or more Participants a tally of the respective votes may be collected, and presented to the Commission for informational purposes.

5.6.5 Matters Relating to TID. Notwithstanding any other provision in this Agreement to the contrary; (1) TID shall be entitled to designate a Primary Representative and Alternate Representative of TID to the Facilities Committee for so long as TID shall remain a Project Participant in Geothermal Generating Project Number 3, which representatives shall have voting rights only with respect to those matters directly relating to said project; and (2) amendments to this Agreement which do not impair the rights of TID as provided in subsection (1) of this Section 5.6.5 shall not

require the consent of TID, provided that TID shall be given written notice of any amendment to this Agreement.

5.7 Responsibilities. The Facilities Committee shall provide representation of Participants in connection with Project Agreements. The Facilities Committee shall also review, make recommendations, or take other actions pursuant to this Agreement concerning Project studies and other activities or actions conducted by, or proposed by, NCPA in connection with NCPA Projects or First Phase activities. Examples of such responsibilities include but are not limited to:

(a) Review and make recommendations concerning Project studies conducted by NCPA staff or consultants;

(b) Review and make recommendations concerning the proposed acquisition of property, easements, and water rights by NCPA;

(c) Review and make recommendations concerning proposed NCPA actions relative to obtaining federal, State, and local permits, licenses, opinions and rulings, as well as any environmental permits, allowances or GHG Compliance Instruments to the extent permitted by law;

(d) Review and make recommendations concerning NCPA Project designs;

(e) Monitor the progress of each NCPA Project, and where appropriate, recommend actions;

(f) Review and make recommendations concerning all plans, procedures and contracts for the procurement of fuel, equipment, materials and services related to NCPA Projects;

(g) Review, and make recommendations regarding the operation and maintenance of NCPA Projects, including maintenance schedules and operation plans;

(h) Review and make recommendations concerning remedial actions, settlements of disputes, granting of relief, in accordance with the dispute resolution provisions of this Agreement;

(i) Review and make recommendations regarding NCPA Project billing procedures;

(j) Review and make recommendations concerning the Annual Budget, and modifications thereto, proposed by the General Manager; and

(k) Initiate, or review and make recommendations concerning proposed amendments to this Agreement and to the Facilities Schedules.

5.8 Goals and Objectives. The Facilities Committee may suggest specific goals and objectives for NCPA concerning NCPA Projects, and shall review and make recommendations concerning specific goals and objectives proposed by the General Manager for NCPA Projects.

Section 6. Project Services, Development and Costs.

6.1 Scope of Services. NCPA shall act as project manager or agent that operates the project on behalf of the Participants, and shall coordinate and manage all phases of NCPA Project development. NCPA will operate, maintain, schedule and perform billing for NCPA Projects as provided in this Agreement, except as otherwise specified in a specific Project Agreement.

6.2 Designation of NCPA Projects. All Projects when so designated by the Commission shall be known as NCPA Projects. All NCPA Projects subject to the terms and conditions of this Agreement are listed in Facilities Schedule 2. Facilities Schedule 2 shall be updated by NCPA upon the Commission's designation of a new NCPA Project.

6.3 NCPA Project Development Phases. Any NCPA Project undertaken by NCPA may proceed through one or more phases as provided in this Section and Facilities Schedule 11.

6.3.1 First Phase. The "First Phase" of a Project consists of all surveys and preliminary investigation work performed by NCPA regarding a

proposed Project supported out of NCPA's general funds as required by the JPA or provided voluntarily by one or more NCPA Members, pursuant to Facilities Schedule 11, and prior to the time that the Commission declares it as a NCPA Project. For the purpose of terminating the First Phase, the Commission may declare a termination of investigations regarding the proposed Project, or may declare the Project to be a NCPA Project by entering into a Project Agreement with one or more NCPA Members desiring to participate as indicated in Section 6.3.2 or 6.3.3.

6.3.2 Second Phase. The "Second Phase" of a NCPA Project consists of all work performed after one or more NCPA Members has signed a Second Phase Agreement with NCPA for Project surveys, preliminary investigations, study, design, or development, but before a Third Phase Agreement for the NCPA Project becomes effective.

6.3.3 Third Phase. The "Third Phase" of a NCPA Project consists of all work performed after one or more NCPA Members has contracted with NCPA pursuant to a Third Phase Agreement to participate in the financing, construction, operation, and maintenance, and/or rights to the output, of the NCPA Project. Nothing herein prevents the combination of the Second and Third Phases, if NCPA and the participating NCPA Members so agree.

Third Phase Agreements shall be written as "take-or-pay" ("hell-or-high-water") agreements to the greatest extent possible, so as to insulate NCPA and all Members who are not Project Participants from liability arising from the NCPA Project. Third Phase Agreements shall obligate Project Participants to treat all Project Costs as operation and maintenance expenses of their respective Electric Systems, and shall pledge the Project Participant's obligation to raise electric rates and/or increase Revenues upon demand of NCPA so as to pay such Project Costs.

6.4 Project Participation. Any Member desiring to participate in a NCPA Project by executing a Project Agreement must first become a Party to this Agreement.

Member Participants may elect to finance and participate in the Second Phase, Third Phase, or operation of a NCPA Project through execution of a Project Agreement.

The Project Participation Percentage shall be based on participation in the previous phase of the NCPA Project, unless the NCPA Project is not fully subscribed, or as otherwise agreed. If the NCPA Project is not fully subscribed, any unsubscribed portion of the NCPA Project shall be divided among Project Participants electing to increase their share, in proportion to their original Project

Participation Percentages, unless otherwise unanimously agreed to by such Project Participants.

Unless otherwise agreed, any Third Phase Agreement shall provide for retirement of any preliminary financing and reimbursement of any expenditure of Project Participants in the Second Phase of such NCPA Project, out of final long-term financing of the NCPA Project or other funding method, including but not limited to cash payment.

Unless otherwise agreed, those Participants not parties to the Second Phase may participate in the Third Phase provided such Participant(s) agree to assume, *pro rata*, all Second Phase obligations, that such Participants reimburse the Second Phase Participants for such *pro rata* share either as part of the long-term financing of the NCPA Project or as otherwise agreed, and that all Second Phase Project Participants agree to such participation in writing within forty-five (45) Calendar Days after written notice of a desire to participate.

6.5 Agreements. Agreements covering the several phases of NCPA Projects are generally designated as follows:

(a) Second Phase Agreements or Licensing and Development Agreements shall govern Second Phase NCPA Projects; and

(b) Third Phase Agreements for Construction, Operation and Financing, Participation Agreements or Power Purchase Agreements shall govern Third Phase NCPA Projects; and

(c) Facilities Schedules established pursuant to this Agreement, Project Agreements, including Operating Agreements, and other agreements between NCPA and any Project Participant(s), shall further govern operation and maintenance of NCPA Projects, after completion.

6.6 Project Development Procedures. Procedures, criteria, rules, and standards relating to construction, operation and maintenance of NCPA Projects shall be established by the Commission or the General Manager, as provided in this Agreement and Project Agreements.

6.7 Scheduling Coordination. Except as otherwise provided by a separate agreement, NCPA shall provide Scheduling Coordination Services and shall monitor, schedule, settle and dispatch capacity, energy and associated attributes for delivery from each NCPA Project to the Project Participants in accordance with this Agreement and the Amended and Restated Scheduling Coordination Program Agreement. Therefore, each Project Participant shall become a signatory to the Amended and Restated Scheduling Coordination Program Agreement. Each Operating Entity shall coordinate with NCPA the

scheduling of its single or combined Project Participation Percentage share, of the available capacity and energy from a NCPA Project, subject to all applicable operating constraints, requirements and tariffs applicable to such activities, including, but not limited to, the CAISO Tariff, unless otherwise specified in a Project Agreement. Each Project Participant, or group of Project Participants, acting as an Operating Entity for the purpose of coordinating scheduling and dispatching of their Project Participation Percentage share of a NCPA Project with NCPA must comply with the scheduling criteria set forth in the Amended and Restated Scheduling Coordination Program Agreement.

6.8 Project Costs. All Project Costs attributed to a NCPA Project shall be allocated to the Project Participants of said NCPA Project in accordance with the provisions of the applicable Project Agreement, this Agreement, and/or the Power Management and Administrative Services Agreement.

6.9 Incidental Project Costs. Incidental costs that result from a NCPA Project, or associated transmission or other facilities located within or directly connected to the system of a Participant, will be treated as Project Costs and be borne by the NCPA Project.

6.10 Scheduling Coordination Costs. All costs of Scheduling Coordination Services, including, but not limited to, day-ahead scheduling costs, schedule coordination costs, system control and load dispatch costs, real-time

dispatch costs and settlement costs associated with monitoring, scheduling, dispatching and settlement of each NCPA Project shall be treated as Project Costs and be allocated to the Project Participants of said NCPA Project in accordance with the provisions of the applicable Project Agreements, this Agreement, the Power Management and Administrative Services Agreement, and/or the Amended and Restated Scheduling Coordination Program Agreement.

6.11 Administrative Services Costs. NCPA Projects are supported by other common activities and services provided by NCPA. Administrative Services Costs attributed to NCPA's provision of such activities and services to a NCPA Project shall be treated as a Project Cost and be allocated to each Project Participant in accordance with the provisions of the applicable Project Agreements, this Agreement, and/or the Power Management and Administrative Services Agreement.

Section 7. Project Share Transfers, Sales, Assignments and Exchanges.

7.1 Notice of Intent to Transfer, Sell, Assign or Exchange Project Participation Percentage Share or Associated Attributes. Prior to a Participant entering into a transfer, sale, assignment or exchange of all or any portion of its Project Participation Percentage share of a NCPA Project or its Project Participation Percentage share of a specific NCPA Project attribute, a Participant

shall provide written notice to the General Manager in accordance with Facilities Schedule 14.

7.2 NCPA Project Participation Percentage Share Transfers, Sales, Assignments or Exchanges by a Project Participant. Except where the applicable Project Agreement provides otherwise, if a Participant desires to transfer, sell, assign or exchange a portion, or its entire Project Participation Percentage share, of a NCPA Project for a specific time interval, or permanently, and a Participant directly makes the desired transfer, sale, assignment or exchange on its own behalf, and does not request NCPA to arrange the desired transfer, sale, assignment or exchange, such transfer, sale, assignment or exchange will not be subject to the right of first refusal process contained in Section 7.3.

7.3 NCPA Project Participation Percentage Share Transfers, Sales, Assignments or Exchanges through NCPA. Except where the applicable Project Agreement provides otherwise, if a Participant desires to transfer, sell, assign or exchange a portion, or its entire Project Participation Percentage share, of a NCPA Project for a specific time interval, or permanently, and a Participant requests NCPA to consummate the desired transfer, sale, assignment or exchange on behalf of the Participant, NCPA will use its best efforts in accordance with this Section 7.3 to arrange the transfer, sale, assignment or exchange of the portion of the Participant's Project Participation Percentage share

of such NCPA Project on behalf of the Participant, following the right of first refusal process listed below:

7.3.1 Before NCPA may transfer, sell, assign or exchange a Project Participation Percentage share to any person or entity other than a Project Participant in the same NCPA Project, NCPA shall give all Member Project Participants in the same NCPA Project the right to purchase or take receipt of the share.

7.3.2 Before NCPA may transfer, sell, assign or exchange a Project Participation Percentage share to any person or entity other than a Participant in this Agreement, NCPA shall give all Member Participants the right to purchase or take receipt of the share.

7.3.3 Before NCPA may transfer, sell, assign or exchange a Project Participation Percentage share to any person or entity other than a Member, it shall give all Members the right to purchase or take receipt of the share.

7.3.4 NCPA shall make all such transfers, sales, assignments or exchanges on behalf of Participants on terms and conditions consistent with the requirements of the applicable Project Agreement, and shall offer the NCPA Project Participation Percentage share to NCPA Members and other persons or entities on terms and conditions no more favorable than those on

which it offered the share to the Project Participants in the same NCPA Project.

7.4 Tax Exempt Status. All transfers, sales, assignments and exchanges arranged by NCPA or directly undertaken by a Project Participant must be made in accordance with the federal tax guidelines relating to private business use as specified in Facilities Schedule 12. Notwithstanding any provision of this Agreement to the contrary, NCPA shall not be obligated to arrange the transfer, sale, assignment or exchange of a Participant's Project Participation Percentage share of a NCPA Project if such transfer, sale, assignment or exchange may, in NCPA's opinion, adversely affect the tax exempt status of any NCPA debt obligation.

7.5 Facilities Committee Participation. Non-Member entities to whom a Participant's Project Participation Percentage share of a NCPA Project is transferred, sold, assigned or exchanged are not thereby entitled to participate in the activities of the Facilities Committee, including voting activities, other than as members of the public, nor do such entities become a member of the Facilities Committee.

7.6 Non-Participant Transferees. Neither NCPA nor a Participant shall transfer, sell, assign or exchange a Participant's Project Participation Percentage share of a NCPA Project to a non-Participant Member without such

non-Participant Member becoming a Participant to this Agreement prior to, or concurrently with, the execution of such transfer, sale, assignment or exchange.

Section 8. Billing and Payments.

8.1 Invoices. NCPA will issue an invoice to each Participant for its share of Project Costs, Administrative Services Costs, scheduling coordination costs, and all other costs for services provided in accordance with this Agreement. Such invoice may be either the All Resources Bill or separate special invoice, as determined by NCPA. Such invoices will be made pursuant to the requirements and procedures provided for in this Agreement, Project Agreements, and all other applicable agreements. At NCPA's discretion, invoices may be issued to Participants using electronic media or physical distribution.

8.2 Payment of Invoices. All invoices delivered by NCPA (including the All Resources Bill) are due and payable thirty (30) Calendar Days after the date thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the following Business Day.

8.3 Late Payments. Any amount due and not paid by a Participant in accordance with Section 8.2 shall be considered late and bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or

reference rate) of the Bank of America NT&SA then in effect, plus two percent (2%) or (ii) the maximum rate permitted by law.

8.4 Billing Disputes. A Participant may dispute the accuracy of any invoice issued by NCPA under this Agreement by submitting a written dispute to NCPA, within thirty (30) Calendar Days of the date of such invoice; nonetheless the Participant shall pay the full amount billed when due. If a Participant does not timely question or dispute the accuracy of any invoice in writing, the invoice shall be deemed to be correct. Upon review of a submitted dispute, if an invoice is determined by NCPA to be incorrect, NCPA shall issue a corrected invoice and refund any amounts that may be due to the Participant. If NCPA and the Participant fail to agree on the accuracy of an invoice within thirty (30) Calendar Days after the Participant has disputed it, the General Manager shall promptly submit the dispute to the Commission for resolution. If the Commission and the Participant fail to agree on the accuracy of a disputed invoice within sixty (60) Calendar Days of its submission to the Commission, the dispute may then be resolved under the mediation and arbitration procedures set forth in Section 17 of this Agreement. Provided, however, that prior to resorting to either mediation or arbitration proceedings, the full amount of the disputed invoice must be paid.

8.5 Billing/Settlement Data and Examination of Books and Records.

8.5.1 Settlement Data. NCPA shall make billing and settlement data available to the Participants in the All Resources Bill, or other invoice, or upon request. NCPA may also, at its sole discretion, make billing and settlement support information available to Participants using electronic media (e.g. electronic data portal). Procedures and formats for the provision of such electronic data submission may be established by the Commission from time to time. Without limiting the generality of the foregoing, NCPA may, in its reasonable discretion, require the Participants to execute a non-disclosure agreement prior to providing access to the NCPA electronic data portal.

8.5.2 Examination of Books and Records. Any Participant to this Agreement shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement at any reasonable, mutually agreed upon time.

Section 9. Cooperation and Further Assurances. Each of the Parties agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by any other Party which are consistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry

out the intent of this Agreement. The Parties agree to cooperate and act in good faith in connection with obtaining any credit support required in order to satisfy the requirements of this Agreement.

Section 10. Participant Covenants and Defaults.

10.1 Each Participant covenants and agrees: (i) to make payments to NCPA, from its Electric System Revenues, of its obligations under this Agreement as an operating expense of its Electric System; (ii) to fix the rates and charges for services provided by its Electric System, so that it will at all times have sufficient Revenues to meet the obligations of this Agreement, including the payment obligations; (iii) to make all such payments due NCPA under this Agreement whether or not there is an interruption in, interference with, or reduction or suspension of services provided under this Agreement, such payments not being subject to any reduction, whether by offset or otherwise, and regardless of whether any dispute exists; and (iv) to operate its Electric System, and the business in connection therewith, in accordance with Good Utility Practice.

10.2 Events of Default. An Event of Default under this Agreement shall exist upon the occurrence of any one or more of the following by a Participant (the "Defaulting Participant"):

(i) the failure of any Participant to make any payment in full to NCPA when due, where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure;

(ii) the failure of a Participant to perform any covenant or obligation of this Agreement where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure. Provided, that this subsection shall not apply to any failure to make payments specified by subsection 10.2 (i));

(iii) if any representation or warranty of a Participant material to the services provided hereunder shall prove to have been incorrect in any material respect when made and the Participant does not cure the facts underlying such incorrect representation or warranty so that the representation or warranty becomes true and correct within thirty (30) Calendar Days of the date of receipt of notice from NCPA demanding cure; or

(iv) if a Participant is in default or in breach of any of its covenants under any other agreement with NCPA and such default or breach is not cured within the time periods specified in such agreement.

10.3 Uncontrollable Forces. A Party shall not be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of Uncontrollable Forces. Provided, that in order to be

relieved of an Event of Default due to Uncontrollable Forces, a Party affected by an Uncontrollable Force shall:

(i) first provide oral notice to the General Manager using telephone communication within two (2) Business Days of the onset of the Uncontrollable Force, and provide subsequent written notice to the General Manager and all other Parties within ten (10) Business Days of the onset of the Uncontrollable Force, describing its nature and extent, the obligations which the Party is unable to fulfill, the anticipated duration of the Uncontrollable Force, and the actions which the Party will undertake so as to remove such disability and be able to fulfill its obligations hereunder; and

(ii) use due diligence to place itself in a position to fulfill its obligations hereunder and if unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such disability with reasonable dispatch. Provided, that nothing in this subsection shall require a Party to settle or compromise a labor dispute.

10.4 Cure of an Event of Default. An Event of Default shall be deemed cured only if such default shall be remedied or cured within the time periods specified in Section 10.2 above, as may be applicable, provided, however, upon request of the Defaulting Participant the Commission may waive the default at its sole discretion, where such waiver shall not be unreasonably withheld.

10.5 Remedies in the Event of Uncured Default. Upon the occurrence of an Event of Default which is not cured within the time limits specified in Section 10.2, without limiting other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action NCPA may have against the Defaulting Participant, NCPA may take any or all of the following actions:

(i) suspend the provision of services under this Agreement to such Defaulting Participant;

(ii) demand that the Defaulting Participant provide further assurances to guarantee the correction of the default, including the collection of a surcharge or increase in electric rates, or such other actions as may be necessary to produce necessary Revenues to correct the default; or

(iii) enforce all other rights or remedies available to it under any Project Agreement in which the Defaulting Participant is a Project Participant.

10.6 Effect of Suspension.

10.6.1 Generally. The suspension of this Agreement will not terminate, waive, or otherwise discharge any ongoing or undischarged liabilities, credits or obligations arising from this Agreement until such liabilities, credits or obligations are satisfied in full.

10.6.2 Suspension. If performance of all or any portion of this Agreement is suspended by NCPA with respect to a Participant in accordance with subsection 10.5(i), such Participant shall pay any and all costs incurred by NCPA as a result of such suspension including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, or other reasonable and necessary costs associated with such suspension and any portion of the Project Costs, scheduling and dispatch costs, and Administrative Services Costs that were not recovered from such Participant as a result of such suspension.

Section 11. Facilities Schedules.

11.1 Facilities Schedules. Facilities Schedules shall be established relating to operations of NCPA Projects and administrative matters for the implementation of this Agreement. All Facilities Schedules may be established, repealed or amended by the Commission in accordance with this Agreement, except as provided in Section 11.3 with respect to Facilities Schedules applicable to NCPA Projects for which a separate Operating Agreement exists. The Commission shall consider any recommendation of the Facilities Committee.

11.2 Scope of Facilities Schedules. Facilities Schedules include detailed principles, descriptions and procedures for managing, operating, scheduling, billing and settlement for the NCPA Projects.

11.3 Operating Agreements. For those NCPA Projects for which a separate Operating Agreement has been or later is executed by NCPA and the Project Participants, the applicable Facilities Schedules will supplement the Operating Agreement and shall include a note that an Operating Agreement exists. To the extent a Facilities Schedule and Operating Agreement are inconsistent, the Operating Agreement shall govern. An Operating Agreement, whether or not it is appended to this Agreement as a Facilities Schedule, may only be amended according to the terms contained therein.

Section 12. Other Agreements.

12.1 Precedence of Agreements. Where there is any conflict between this Agreement and the Joint Powers Agreement, a Project Agreement or a NCPA Project Indenture of Trust, the provisions in the Joint Powers Agreement, Project Agreement or NCPA Project Indenture of Trust shall control.

12.2 Member Services Agreement. The Member Service Agreements between NCPA, the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, and Ukiah, and the Plumas-Sierra Rural Electric Cooperative dated February 2, 1981, and the Member Service Agreement between NCPA and the City of Santa Clara dated February 12, 1981, were previously terminated and have no further force or effect. At such time as the City of Redding may become a Participant, then this Agreement shall supersede

and replace the Member Service Agreement between NCPA and the City of Redding dated February 12, 1981.

Section 13. Potential Adverse Impact.

13.1 Notification. A Participant shall promptly notify the General Manager in writing of any new or materially changed plan(s) for additions to, retirements of, or changes in transmission or other facilities, which are subject to the control of such Participant, including distribution level transmission or other facilities, and which the Participant believes could affect the capacity or deliverability of a NCPA Project located within the Participant's system. The Facilities Committee shall review such plan(s) and may recommend remedial actions.

Section 14. Term and Termination.

14.1 Effective Date. This Agreement shall become effective on the first day of the month after which it has been duly executed by all Participants, and delivered to and executed by NCPA (the "Effective Date"). NCPA shall notify all Participants in writing of the Effective Date.

14.2 Term and Termination. This Agreement shall continue in full effect until terminated by consent of all Parties.

Section 15. Admission and Withdrawal of Participants.

15.1 Admission of a New Participant. Subsequent to the initial Effective Date, a Member may become a Participant by executing this Agreement. Such Member Participant will become a Participant effective on the date of its delivery to NCPA of an executed counterpart of this Agreement.

15.2 Withdrawal of Participants. Any Participant may withdraw from this Agreement ("Withdrawing Participant") by: (1) submitting notice, in writing to all Parties at least two (2) years in advance of the effective date of such withdrawal, provided that such withdrawal shall only be effective on the last day of a NCPA fiscal year and that the Withdrawing Participant has fully satisfied all obligations it has incurred under this Agreement; and (2) divesting its Project Participation Percentage share of all NCPA Projects through a permanent transfer, sale, assignment or exchange, so that (i) the Withdrawing Participant permanently disposes of its legal and contractual obligation to pay for all Project Costs, and other related costs, including disposing of its obligations specified in each respective Project Agreement and Project Indenture of Trust, and (ii) the party (or parties) taking permanent transfer, sale, assignment or exchange of the Withdrawing Participant's Project Participation Percentage of a NCPA Project is or becomes a Member Participant; provided, however, the withdrawal requirements stated herein may be altered upon mutual agreement between NCPA and the Withdrawing Participant whereby all un-discharged

liabilities, credits or obligations of the Withdrawing Participant, including any contingent liabilities, credits or obligation, are fully satisfied. NCPA and the Withdrawing Participant shall negotiate in good faith and shall cooperate in reaching such mutual agreement. The two (2) year duration of the notice requirement may be waived or reduced by the Commission in its sole discretion. Withdrawal by any Participant shall not terminate this Agreement as to the remaining Participants.

15.3 No Effect on Prior Liabilities. Withdrawal by any Participant will not terminate any ongoing or un-discharged liabilities, credits or obligations, including any contingent liabilities, credits or obligations, resulting from this Agreement until they are satisfied in full, or such Withdrawing Participant has provided a mechanism acceptable to NCPA, for the satisfaction in full thereof.

A Withdrawing Participant shall not be obligated to compensate the remaining Participants for loss of any benefits that would have accrued to the remaining Participants if the Withdrawing Participant had continued its participation. Nor shall the remaining Participants be obligated to compensate the Withdrawing Participant for any benefits that accrue to the remaining Participants because of the withdrawal. Reallocation of the costs and benefits of continuing under this Agreement after a Participant has withdrawn shall not give rise to any claim against a Withdrawing Participant by the remaining

Parties. Nor shall any of the remaining Parties be obligated to compensate the Withdrawing Participant for any benefits that accrue to the remaining Parties because of such a reallocation of costs and benefits.

15.4 Associated Costs. A Withdrawing Participant shall reimburse NCPA for any and all costs resulting from the withdrawal, including but not limited to the legal, accounting, and administrative costs of winding up and assuring the complete satisfaction and discharge of the Withdrawing Participant's liabilities, credits or obligations, including any contingent liabilities, credits or obligations.

15.5 Withdrawal of Participant from the JPA. Notwithstanding the provisions of the Power Management and Administrative Services Agreement, the Amended and Restated Scheduling Coordination Program Agreement, and this Agreement, a Member Participant that terminates its membership in the joint powers agency pursuant to the Joint Powers Agreement, but has not withdrawn from this Agreement pursuant to Section 15.2, shall continue its participation in this Agreement as a non-Member Participant and remain obligated and liable to pay its Project Participation Percentage share of all Project Costs, and other related costs attributed to a NCPA Project in which the non-Member Participant is a Project Participant, as specified in the applicable Project Agreements, the Power Management and Administrative Services Agreement, the Amended and

Restated Scheduling Coordination Program Agreement, and this Agreement, provided, however, the non-Member Participant is thereby no longer a Member or a member of the Facilities Committee, and is not entitled to participate in the activities of the Commission or the Facilities Committee, including voting activities, other than as a member of the public. A non-Member Participant shall remain obligated to take Scheduling Coordination Services provided by NCPA for all NCPA Projects in which the non-Member Participant is a Project Participant notwithstanding the fact that such non-Member Participant may no longer be a signatory to the Amended and Restated Scheduling Coordination Program Agreement.

Section 16. Reports and Records.

16.1 Reports to Participants. NCPA shall prepare and make available to each Participant the reports listed in Facilities Schedule 13. The frequency of distribution shall be as specified in Facilities Schedule 13.

16.2 Records. Each Party shall keep such records as may be reasonably required by the General Manager to carry out his or her duties pursuant to Section 4.3 of this Agreement, and shall furnish to the General Manager such records, reports, and other information as he or she may reasonably require.

16.3 Reports to Other Agencies. NCPA will submit such reports and records which are required or may be required by the California Energy

Commission, FERC, NERC, WECC, OSHA or such other local, State, regional or federal agencies, as such reports and records are required for NCPA to fulfill its obligations under this Agreement.

Section 17. **Settlement of Disputes and Arbitration.** The Parties agree to make best efforts to settle all disputes among themselves connected with this Agreement as a matter of normal business under this Agreement. The procedures set forth in Section 10 of the Power Management and Administrative Services Agreement shall apply to all disputes that cannot be settled by the Participants themselves; provided, that the provisions of Section 8.4 shall first apply to all disputes involving invoices prepared by NCPA.

Section 18. **Miscellaneous.**

18.1 Confidentiality. The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement, to the extent possible, consistent with applicable laws, including the California Public Records Act. Confidential or trade secret information shall be marked or expressly identified as such.

If a Party ("Receiving Party") receives a request from a Third Party for access to, or inspection, disclosure or copying of, any of the other Party's (the "Supplying Party") confidential data or information ("Disclosure Request"), then the Receiving Party shall provide notice and a copy of the Disclosure Request to

the Supplying Party within three (3) Business Days of receipt of the Disclosure Request. Within three (3) Business Days of receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Receiving Party shall deny the Disclosure Request and the Supplying Party shall defend the denial of the Disclosure Request at its sole cost, and it shall indemnify the Receiving Party for all costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the Receiving Party shall include all of the Receiving Party's costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to costs, penalties, and the Receiving Party's attorney's fees; or

(ii) the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

18.2 Indemnification and Hold Harmless. Subject to the provisions of Section 18.4, each Participant agrees to indemnify, defend and hold harmless NCPA and its Members, including their respective governing boards, officials,

officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of litigation, including experts, to the extent caused by any acts, omissions, breach of contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of that Participant, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

18.3 Several Liabilities. Except as otherwise provided herein or in an applicable Project Agreement, no Participant shall be liable under this Agreement for the obligations of any other Participant, each Participant shall be solely responsible and liable for performance of its obligations under this Agreement and the obligation of each Participant under this Agreement is a several obligation and not a joint obligation with those of the other Participants.

18.4 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY

SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL NCPA OR ANY PARTICIPANT OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NCPA AND EACH PARTICIPANT EACH HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

18.5 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the Commission. Any such waiver by the Commission in any particular instance shall not be deemed a waiver with respect to any subsequent performance, default or matter.

18.6 Division of Responsibility. Neither the General Manager, the Parties to this Agreement, nor an entity acting on behalf of the Parties, shall be responsible for the transmission, control, use, or application of capacity and energy provided under this Agreement or the Facilities Schedules attached hereto on the receiving Party's side of such Party's point of interconnection and shall not, in any event, be liable for damage or injury to any person or property whatsoever, arising, accruing, or resulting from, in any manner, the receiving, transmission, control, use, application, or distribution by NCPA, or the Participants, or any Third Party acting on behalf of NCPA or the Parties, of said capacity and energy on the receiving Party's side of such Party's point of interconnection.

18.7 Amendments.

18.7.1 Amendments in General. Except where this Agreement specifically provides otherwise, this Agreement may be amended only by

written instrument executed by the Parties with the same formality as this Agreement.

18.7.2 Approval and Amendment of Facilities Schedules. Any addition to, amendment to or termination of the Facilities Schedules attached hereto shall take effect after being approved by the Commission in a manner consistent with the voting procedures set forth in Section 3.6 of this Agreement, without the requirement of an approval of the individual Participants' governing bodies.

18.8 Assignment of Agreement.

18.8.1 Binding Upon Successors. This Agreement, including the Facilities Schedules, shall inure to the benefit of and shall be binding upon the respective successors and assignees of the Parties to this Agreement.

18.8.2 No Assignment. This Agreement, nor any interest herein, shall be transferred or assigned by a Party hereto except with the consent in writing of the other Parties hereto, where such consent shall not be unreasonably withheld. Without limiting the foregoing, this Agreement shall not be assigned by Plumas-Sierra Rural Electric Cooperative without the approval in writing of the Administrator of the Rural Electrification Administration Utilities Service.

18.9 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

18.10 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

18.11 Headings. All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

18.12 Notices. Any notice, demand or request required or authorized by this Agreement to be given to any Party shall be in writing, and shall either be personally delivered to a Participant's Commissioner or Alternate, or in the case of TID their Primary Representative or Alternate Representative, and to the General Manager, or shall be transmitted to the Participant and the General Manager at the addresses shown on the signature pages hereof. The designation of such addresses may be changed at any time by written notice given to the

General Manager who shall thereupon give written notice of such change to each Participant. All such notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail first class postage prepaid, or on the first Business Day following delivery through electronic communication.

18.13 Warranty of Authority. Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms. Upon execution of this Agreement, each Participant shall deliver to NCPA a resolution of the governing body of such Participant evidencing approval of and authority to enter into this Agreement.

18.14 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

18.15 Venue. In the event that a Party brings any action under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

18.16 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, each Party shall bear its own fees and costs, including attorneys' fees, associated with the action.

18.17 Counsel Representation. Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney's fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 18.2 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

18.18 No Third Party Beneficiaries. Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties,

to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.

IN WITNESS WHEREOF, NCPA and each Participant have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: General Counsel
Date: _____

CITY OF ALAMEDA
2000 Grand Street
P.O. Box H
Alameda, CA 94501

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: City Attorney
Date:_____

CITY OF BIGGS
465 "C" Street
Biggs, CA 95917

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: City Attorney
Date: _____

CITY OF GRIDLEY
685 Kentucky Street
Gridley, CA 95948

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: City Attorney
Date: _____

CITY OF HEALDSBURG
401 Grove Street
Healdsburg, CA 95448

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: City Attorney
Date: _____

CITY OF LODI
221 W. Pine Street
Lodi, CA 95240

By: Stephen Schwabauer
Title: Interim City Manager
Date: _____

Approved as to form:

By: Janice D. Magdich
Its: City Attorney
Date: _____

ATTEST:

_____
Randi Johl-Olson
City Clerk

CITY OF LOMPOC
100 Civic Center Plaza
Lompoc, CA 93436

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: City Attorney
Date: _____

CITY OF OAKLAND, acting
by and through its
Board of Port Commissioners
530 Water Street
Oakland, CA 94607

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: Port General Counsel
Date: _____

CITY OF PALO ALTO
250 Hamilton Avenue
Palo Alto, CA 94301

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

PLUMAS-SIERRA RURAL
ELECTRIC COOPERATIVE
73233 Highway 70
Portola, CA 96122

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: General Counsel
Date: _____

CITY OF ROSEVILLE
311 Vernon Street
Roseville, CA 95678

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

CITY OF SANTA CLARA
1500 Warburton Avenue
Santa Clara, CA 95050

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: City Attorney
Date:_____

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, 16th Floor
Oakland, CA 94612

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: General Counsel _____
Date: _____

CITY OF UKIAH
300 Seminary Avenue
Ukiah, CA 95482

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: City Attorney _____
Date: _____

TURLOCK IRRIGATION DISTRICT
333 E. Canal Drive
Turlock, CA 95380

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: General Counsel _____
Date: _____

FACILITIES SCHEDULE 1

LIST OF PARTICIPANTS

The following is a list of the Participants who are signatory to this Agreement:

City of Alameda
City of Biggs
City of Gridley
City of Healdsburg
City of Lodi
City of Lompoc
City of Oakland, acting by and through its Board of Port Commissioners
City of Palo Alto
City of Roseville
City of Santa Clara
City of Ukiah
Plumas-Sierra Rural Electric Cooperative
San Francisco Bay Area Rapid Transit District
Turlock Irrigation District

FACILITIES SCHEDULE 2

NCPA PROJECTS

Each of the following Projects have been designated by the Commission as a NCPA Project, therefore subject to the terms and conditions of this Agreement:

North Fork Stanislaus River Hydroelectric Development Project

Combustion Turbine Project Number One

Combustion Turbine Project Number Two-Unit One

NCPA Geothermal Generating Unit #2 Project

Geothermal Generating Project Number 3

Seattle City Light Capacity and Energy Exchange Third Phase Agreement

Amended NCPA Green Power Project Third Phase Agreement

- NCPA Solar PV Project

FACILITIES SCHEDULE 3

BILLING PROCEDURE AND NCPA PROJECT COST DETERMINANTS

Section 1. **Billing Procedure.** NCPA will issue invoices to each Participant for its allocated share of Project Costs, Administrative Services Costs, scheduling coordination costs, and all other costs for services provided in accordance with this Agreement. Such invoices may be either the All Resources Bill or separate special invoice, as determined by NCPA. Notwithstanding the provisions of this Agreement, NCPA shall issue invoices to each Participant as further described in this Facilities Schedule 3.

1.1 Pre-Billing. Prior to each month, NCPA shall issue an invoice to each Participant for its estimated share of Project Costs, Administrative Services Costs, scheduling coordination costs, and all other costs for services provided in accordance with this Agreement. Estimated costs shall be invoiced in advance and are based on, but are not limited to, budgets, schedules, metering data, forecasted net purchases or sales of energy, forecasted congestion costs and estimates of power and related attribute prices, and charges from the CAISO pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

1.2 Adjustments and True-ups. From time to time, NCPA shall review and compare its estimate of costs as set forth in the Annual Budget against actual

costs incurred during the same period of time. In the event estimated costs invoiced to Participants substantially deviate from actual costs incurred by NCPA, NCPA shall adjust the amounts to be invoiced or credited to the Participants in subsequent billings, in the respective cost category, for the balance of the Fiscal Year, to ensure NCPA collects sufficient funds to cover all budgeted and actual costs.

A substantial deviation from cost estimates approved in the Annual Budget means a permanent variation from a major objective or parameter of plus or minus five percent (5%) or more, unless otherwise provided for in the Annual Budget. A permanent variation is one that is not expected to reverse at a later date during the same Fiscal Year.

1.3 Annual Billing True-Up. At the end of each Fiscal Year, as soon as actual data is available and the annual year-end audit is complete, NCPA shall true-up all invoices based on actual cost data and actual billing determinates. The amounts calculated to be over or under collected from the Participants during the Fiscal Year, measured against actual costs, will be debited or credited to Participants as follows:

(i) a lump sum on future invoices to the Participant;

(ii) applied to a Participant's general operating reserve account; or

(iii) as otherwise directed by the Commission.

Section 2. **NCPA Project Costs and Billing.** Project Costs, Administrative Services Costs, scheduling coordination costs, and all other costs associated with services provided pursuant to this Agreement shall be reflected in the Annual Budget. The NCPA Project budgets included as part of the Annual Budget shall categorize costs as fixed and variable. Fixed costs are those Project Costs incurred that are not dependent on the output of the generating unit or plant (e.g., debt service and operating labor expenses). Variable costs are those Project Costs which are dependent on the electrical output of the generating unit or plant (e.g., fuel costs and operations and maintenance costs).

2.1 Cost Recovery. NCPA shall invoice monthly one-twelfth (1/12) of the budgeted costs for each NCPA Project to the Participants based on each Participant's Project Participation Percentage share; provided, however, costs associated with fuel, GHG Compliance Instruments, or other costs that are subject to market volatility and which may change substantially from month to month during the Fiscal Year shall be invoiced based on actual costs for the respective month, or NCPA's best estimate of such costs if actual costs are not known at the time the invoice is issued to the Participants. When estimated fuel, GHG Compliance Instruments or other costs are used, final adjustments for

actual costs shall be made in the annual billing true-up as provided in Section 1 of the Facilities Schedule 3.

Section 3. **Uniform System of Accounts.** NCPA shall keep accurate records and accounts for all costs attributed to each NCPA Project and the services provided under this Agreement. All Project Costs shall be kept in general accordance with the Uniform System of Accounts ("USofA") for electric public utilities and licensees prescribed by FERC.

FACILITIES SCHEDULE 4

SHARED FACILITIES AND COST SHARING

Section 1. **Scope.** Project Participants desire to equitably share and use facilities and equipment common to two or more NCPA Projects, including the Combustion Turbine Project No. 1, Combustion Turbine Project No. 2 and LEC, for the purpose of reducing costs and improving efficiencies. Such Shared Facilities and the methods for how costs are to be shared among Project Participants shall be included in this Facilities Schedule 4.

Section 2. **Definitions.**

2.1 Definitions. Unless defined in this Facilities Schedule 4, all terms used in this Facilities Schedule 4 with initial capitalization shall have the same meaning as those contained in Section 1 of this Agreement.

2.1.1 "PPC" means the Participant Committee established in accordance with Section 8 of the Lodi Energy Center Power Sales Agreement.

2.1.2 "Shared Facilities" means the facilities as documented in this Facilities Schedule 4 and which may be revised from time to time based upon recommendations and approvals of the Facilities Committee, the PPC and the Commission.

Section 3. **Joint Use of Facilities.** NCPA and Project Participants may use, operate and maintain the Shared Facilities, according to the terms and conditions of this Agreement and the percentage allocation of costs associated with such Shared Facilities detailed in this Facilities Schedule 4. Nothing in this Agreement may be construed to create a lease, sale or other disposition of real or personal property of NCPA.

Section 4. **Use of Shared Facilities.** As applicable, the Combustion Turbine Project No. 1, Combustion Turbine Project No. 2 and LEC projects will utilize the Shared Facilities and equipment as listed in this Facilities Schedule 4. In addition thereto, the Combustion Turbine Project No. 1, Combustion Turbine Project No. 2 and LEC projects and personnel will have:

(i) vehicular and pedestrian access rights;

(ii) use of Shared Facilities for the purpose of locating, accessing, operating, maintaining, repairing and replacing pipelines;

(iii) access for locating, accessing, operating, constructing, maintaining, repairing and replacing the steam pipeline(s), natural gas pipeline(s) and any associated equipment currently on the Combustion Turbine Project No. 2 and/or LEC sites or to be installed in the future;

(iv) access to the office building currently on the Combustion Turbine Project No. 2 site for the installation, use, maintenance, repair and

replacement of process control systems and related computer hardware associated with the Combustion Turbine Project No. 1, Combustion Turbine Project No. 2 and LEC projects;

(v) access to the Shared Facilities for the purpose of locating, operating, repairing and replacing such improvements as may be necessary from time to time; and

(vi) personnel associated with Combustion Turbine Project No. 1, Combustion Turbine Project No. 2 and LEC shall provide reasonable notice, each to the other, regarding any work to be conducted consistent with the above.

Section 5. **Shared Facilities Cost Allocation.** Shared Facilities costs shall be allocated among the Combustion Turbine Project No. 1, Combustion Turbine Project No. 2 and LEC in one or more of the following ways, pursuant to this Facilities Schedule 4:

(i) headcount allocated to each project;

(ii) project capacity;

(iii) actual usage of Shared Facilities; or

(iv) such other allocation methodology as may be determined in this Facilities Schedule 4.

The Shared Facilities cost allocation set forth in this Facilities Schedule 4 may be revised from time to time when operational conditions or factors used for

the cost allocation(s) change. In such event, the PPC and the Facilities Committee will provide their respective recommendations and approvals to the Commission regarding any proposed modifications to the allocations set forth in this Facilities Schedule 4. Until such revisions as proposed by the PPC and the Facilities Committee are approved by the Commission, the cost allocation(s) set forth in this Facilities Schedule 4 will be used to allocate Shared Facilities costs among the Combustion Turbine Project No. 1, Combustion Turbine Project No. 2 and LEC projects, irrespective of the basis used for cost allocation as listed in this Facilities Schedule 4, including those allocations that are based on estimated usage.

Section 6. **Other Costs.** The Combustion Turbine Project No. 1, Combustion Turbine Project No. 2 and LEC projects will each be solely responsible for the payment of any and all taxes, insurance, utilities, maintenance, improvements and labor directly attributable to the construction, operation and maintenance of the respective projects. The Combustion Turbine Project No. 1, Combustion Turbine Project No. 2 and LEC projects must pay the Shared Facilities cost allocations imposed on such projects as detailed in this Facilities Schedule 4.

Section 7. **Sale of Shared Facilities.** In the event NCPA seeks to sell any of the Shared Facilities the Combustion Turbine Project No. 1, Combustion Turbine

Project No. 2 and LEC projects must be given reasonable notice and an opportunity to purchase such Shared Facilities.

Section 8. <u>Shared Facilities and Allocation</u>

	Cost Allocation to NCPA Project %			
Facility	CT1	CT2	LEC	Total
MW Capacity	75.0	49.9	280.0	404.9
Capacity CT1, CT2, LEC %	18.52%	12.32%	69.15%	100.00%
Capacity CT2, LEC %	0.00%	15.13%	84.87%	100.00%
Headcount for FTE-2012	3.0	4.5	17.5	25.0
Headcount % CT1, CT2, LEC	12.00%	18.00%	70.00%	100.00%
Cooling Tower Usage CT2/LEC (based on calculation below)	0.00%	0.00%	100.00%	100.00%
Vehicle Usage CT1/CT2/LEC (based on estimated usage)	90.00%	5.00%	5.00%	100.00%
Anhydrous Ammonia System				
Fixed O&M, Capital (based on Capacity CT2, LEC %)	0.00%	15.13%	84.87%	100.00%
Variable O&M CT2/LEC (based on actual Ammonia usage)		Usage	Usage	
Administration / Warehouse Building				
O&M, Capital (based upon Headcount % CT1, CT2, LEC)	12.00%	18.00%	70.00%	100.00%
Fire System				
O&M, Capital (based on Capacity CT2, LEC %)	0.00%	15.13%	84.87%	100.00%
230 KV Switchyard (Common Equip)				
O&M, Capital (based on Capacity CT2, LEC %)	0.00%	15.13%	84.87%	100.00%
Tooling and Special Equipment (based on Headcount % CT1, CT2, LEC)	12.00%	18.00%	70.00%	100.00%

Cooling Tower/Closed Cooling Water/Injection Well Systems				
O&M, Capital (based on Cooling Tower Usage CT2/LEC)	0.00%	0.00%	100.00%	100.00%
Vehicle Usage				
O&M, Capital (based on Vehicle Usage CT1/CT2/LEC)	90.00%	5.00%	5.00%	100.00%

Cooling Tower CT2/LEC Usage Calculation:

Inputs

S_h = Number of Operating Hours of CT2

L_h = Number of Operating Hours of LEC

Constants

S_f = Design flowrate for CT2 cooling water = 4,416 GPM

L_f = Design flowrate for LEC cooling water = 64,584 GPM

Formula

$$\text{CT2 Percentage} = S_{\%} = \frac{(S_h * S_f)}{(S_h * S_f) + (L_h * L_f)} * 100$$

$$\text{LEC Percentage} = L_{\%} = 100 - S_{\%}$$

FACILITIES SCHEDULE 5

COMBUSTION TURBINE PROJECT NO. 1 OPERATING PROCEDURES

Section 1. **General Operating Criteria.** The following general operating criteria are applicable to the operation of the Combustion Turbine Project No. 1 generation facilities (hereinafter referred to as the "CT1 Project"). The General Manager, or his or her designee, shall act as project manager for the CT1 Project on behalf of the Project Participants.

1.1 Good Utility Practice. The CT1 Project shall be operated in accordance with Good Utility Practice.

1.2 Licenses and Regulatory Criteria. The CT1 Project shall be operated in accordance with all license and regulatory requirements that are applicable to the CT1 Project (e.g., air permit restrictions).

1.3 CT1 Project Statistics. The following are general CT1 Project statistics:

Resource Name	Resource ID	Pmax	Pmin
Alameda GT Unit 1	ALMEGT_1_UNIT 1	23.9 MW	22.8 MW
Alameda GT Unit 2	ALMEGT_1_UNIT 2	25.4 MW	24.4 MW
Lodi Gas Turbine	LODI25_2_UNIT 1	25.3 MW	22.2 MW

Section 2. **Scheduling Criteria.**

2.1 Schedule Coordination. NCPA shall act as Scheduling Coordinator for the CT1 Project, and perform such duties in accordance with the Amended and Restated Scheduling Coordination Program Agreement.

2.2 Scheduling Criteria and Project Coordination. Each Project Participant, acting as an Operating Entity, shall schedule and bid its Project Participation Percentage share of capacity, energy, and/or other project attributes in any manner, and shall coordinate the scheduling of its Project Participation Percentage share of the CT1 Project with NCPA; provided, however, that such schedules or bids shall be consistent with licensing and regulatory criteria, operational limitations, all established scheduling requirements, including, but not limited to, those requirements set forth in the CAISO Tariff and as determined by NCPA pursuant to the Amended and Restated Scheduling Coordination Program Agreement, and the provisions of the respective Project Agreement. NCPA may act as Operating Entity on behalf of a Project Participant or a group of Project Participants, pursuant to separate agreement.

2.3 Test Energy. All energy generated for testing purposes shall be allocated in proportion to each Project Participant's Project Participation Percentage share of the CT1 Project.

2.4 Allocation of Project Output. All output of the CT1 Project, including capacity, energy and/or other project attributes shall be allocated

among the Project Participants in accordance with the Project Agreement and the Amended and Restated Scheduling Coordination Program Agreement.

2.5 Outage Coordination. Prior to the beginning of each Fiscal Year the project manager shall prepare and submit for approval to the Facilities Committee a planned outage schedule for the CT1 Project. Changes or modifications made to the planned outage schedule during the course of the Fiscal Year shall be subsequently reported in a timely manner to each Project Participant. NCPA shall provide outage coordination services to track and report planned and unplanned outages pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

2.6 Emergency Operation. The City of Alameda or Lodi may request that the CT1 Project unit or units physically located within their respective distribution systems be operated in the case of an usual event (e.g., approaching distribution system loading limitations, loss of transmission services, etc.). Such request shall be made from the Project Participant to the NCPA dispatch center. Prior to approving a submitted request, NCPA shall review the impact such request may have on prior commitments of NCPA and/or the Project Participants associated with the CT1 Project, including, but not limited to, Project Participant own load requirements, contractual commitments, bids submitted to and awards received from the CAISO, to determine the feasibility of such request. All costs

related to emergency operations of the CT1 Project shall be borne by the requesting Project Participant.

Section 3. Natural Gas Fuel Supply.

3.1 General. The CT1 Project consumes natural gas as a fuel in order to generate electric power for the benefit of the Project Participants. Section 3 of this Facilities Schedule 5 describes the terms and conditions under which NCPA will procure natural gas fuel for the CT1 Project.

3.2 Economic Dispatch and Daily Fuel Requirements. The CT Project consists of three (3) peaking generators, two (2) of which are located in the City of Alameda, and one (1) of which is located in the City of Lodi. Unless called upon to insure reliability by the CAISO, each generator is economically dispatched in accordance with this Facilities Schedule 5. In either case the fuel supply requirements of the CT1 Project are met though NCPA's contractual relationship with a supplier for index based gas delivery. The cost of fuel procured for the CT1 Project will be allocated to the Project Participants in accordance with the Project Agreement, this Agreement, and the Amended and Restated Scheduling Coordination Program Agreement.

3.3 Forward Natural Gas Procurement and Financial Hedging. In the normal course of business NCPA does not execute forward natural gas transactions for the potential fuel supply needs of the CT Project, due to the

inherent uncertainty in forecasting fuel supply requirements for small peaking generators. No financial hedges for fuel supply costs associated with the CT Project will be implemented pursuant to this Facilities Schedule 5. NCPA may assist any Project Participant that desires to procure natural gas in advance for anticipated CT1 Project fuel supply requirements, upon written request of a Project Participant, provided that NCPA and the requesting Project Participant have executed a separate agreement for such purposes.

3.4 Fuel Supply Management and Scheduling. Natural gas fuel consumed by the CT1 Project must be scheduled and transported to each generator site. To obtain necessary scheduling and transportation rights and services the Commission may periodically authorize contracts with Third Parties and/or authorize subscriptions for transportation and storage services under pipeline tariffs in accordance with procurement policies and procedures established by the Commission.

FACILITIES SCHEDULE 6

GEOTHERMAL PROJECT OPERATING PROCEDURES

Section 1. General Operating Criteria. The following general operating criteria are applicable to the operation of the Geothermal Project No. 2 and No. 3 generation facilities (hereinafter referred to as the "Geothermal Project"). The General Manager, or his or her designee, shall act as project manager for the Geothermal Project on behalf of the Project Participants.

1.1 Good Utility Practice. The Geothermal Project shall be operated in accordance with Good Utility Practice.

1.2 Licenses and Regulatory Criteria. The Geothermal Project shall be operated in accordance with all license and regulatory requirements that are applicable to the Geothermal Project.

1.3 Geothermal Operating Agreement. The Geothermal Project shall be operated in a manner consistent with the Amended and Restated Geothermal Project Operating Agreement between Northern California Power Agency and the Geothermal Project Participants, dated as of April 1, 2011 (hereinafter referred to as the "Geothermal Operating Agreement"). The operating procedures contained in this Facilities Schedule 6 are stated to further define and clarify the principles and procedures contained in the Geothermal Operating Agreement.

1.4 Geothermal Project Statistics. The following are general Geothermal Project statistics:

Resource Name	Resource ID	Pmax	Pmin
NCPA Geo Plant 1 Unit 1	NCPA_7_GP1UN1	38.85 MW	20 MW
NCPA Geo Plant 1 Unit 2	NCPA_7_GP1UN2	34 MW	20 MW
NCPA Geo Plant 2 Unit 3	NCPA_7_GP2UN3	42.42 MW	15 MW
NCPA Geo Plant 2 Unit 4	NCPA_7_GP2UN4	52.73 MW	15 MW

Section 2. Scheduling.

2.1 Schedule Coordination. NCPA shall act as Scheduling Coordinator for the Geothermal Project, and perform such duties in accordance with the Amended and Restated Scheduling Coordination Program Agreement.

2.2 Scheduling Criteria and Project Coordination. Each Project Participant, acting as an Operating Entity, shall schedule and bid its Project Participation Percentage share of capacity, energy, and/or other project attributes in accordance with the Geothermal Operating Agreement, and shall coordinate the scheduling of its Project Participation Percentage share of the Geothermal Project with NCPA; provided, however, that such schedules or bids shall be consistent with licensing and regulatory criteria, operational limitations, all established scheduling requirements, including, but not limited to, those requirements set forth in the CAISO Tariff and as determined by NCPA pursuant to the Amended and Restated Scheduling Coordination Program Agreement,

and the provisions of the Geothermal Operating Agreement and respective Project Agreement. NCPA may act as Operating Entity on behalf of a Project Participant or a group of Project Participants, pursuant to separate agreement.

2.3 Allocation of Project Output. All output of the Geothermal Project, including capacity, energy and/or other project attributes shall be allocated among the Project Participants in accordance with the Project Agreement, the Geothermal Operating Agreement and the Amended and Restated Scheduling Coordination Program Agreement.

2.4 Outage Coordination. Notwithstanding the provisions of the Geothermal Operating Agreement, prior to the beginning of each Fiscal Year the project manager shall prepare and submit for approval to the Facilities Committee a planned outage schedule for the Geothermal Project. Changes or modifications made to the planned outage schedule during the course of the Fiscal Year shall be subsequently reported in a timely manner to each Project Participant. NCPA shall provide outage coordination services to track and report planned and unplanned outages pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

FACILITIES SCHEDULE 7

NORTH FORK STANISLAUS RIVER HYDROELECTRIC DEVELOPMENT

PROJECT OPERATING PROCEDURES

Section 1. **Definitions.** Unless defined in this Facilities Schedule 7, all terms used in this Facilities Schedule 7 with initial capitalization shall have the same meaning as those contained in Section 1 of this Agreement.

1.1 "Big Trees Flow Requirement" means the quantity of flow which must be maintained in the North Fork Stanislaus River at Big Trees State Park in accordance with the provisions of the FERC License.

1.2 "Collierville Capacity" means the maximum generating capability of the Collierville power plant at any time under then existing conditions.

1.3 "Collierville Minimum Generation" means the minimum loading of one unit at the Collierville power plant necessary to supply the required consumption of the motoring unit or station power consumption as determined through testing.

1.4 "Dry Water Conditions" means the period of historic record during which the Hydroelectric Project could produce minimum project generation usable to supply Operating Entities' load requirements.

1.5 "FERC License" means the license awarded by FERC for construction and operation of the North Fork Stanislaus River Hydroelectric Development Project, FERC Project Number 2409.

1.6 "Forecast Project Inflow" means the amount of Project Inflow for a period of one month or less based on hydrometerologic forecast methods considering current flows, antecedent flows, snow pack measurements, antecedent precipitation, forecast precipitation, and forecast air temperatures.

1.7 "McKays Inflow" means the total inflow to McKays Diversion Dam including flows diverted from Beaver Creek via the Beaver Creek Diversion Tunnel.

1.8 "McKays Minimum Outflow Requirement" means the sum of the following minimum flow obligations: (i) required minimum downstream flow below McKays Diversion Dam, (ii) required diversions to Utica Water and Power Authority ("UWPA") and Calaveras County Water District ("CCWD"), and (iii) supplemental releases below McKays Diversion Dam to satisfy minimum flow requirements at the confluence of the North Fork Stanislaus River and Beaver Creek.

1.9 "McKays Minimum Pool" means the minimum levels to which McKays Reservoir will be drawn down under various operating conditions.

1.10 "McKays Non-Storage-Regulated Inflow" means the inflow to McKays Diversion Dam from NSM Non-Storage-Regulated Releases.

1.11 "McKays Storage-Regulated Inflow" means the inflow to McKays Diversion Dam from NSM Storage-Regulated Releases.

1.12 "McKays Pondage" means the amount of usable storage at McKays Diversion Dam for reregulating McKays Inflow.

1.13 "NSM" means New Spicer Meadow.

1.14 "NSM Capacity" means the maximum generating capability of the NSM power plant at any time under then existing conditions.

1.15 "NSM Generation" is the total amount of capacity and energy produced by the NSM power plant.

1.16 "NSM Minimum Flow Requirements" means the quantity of flow which must be maintained in the North Fork Stanislaus River at NSM in accordance with the provisions of the FERC License.

1.17 "NSM Minimum Release Rule Curve Storage" means the quantity of water of NSM Storage which must be retained in NSM Storage to ensure that the Project can satisfy NSM Minimum Release Requirements under Dry Water Conditions.

1.18 "NSM Minimum Release Requirements" means the amount of water which must be released from NSM Storage to supply or supplement the

greater of (i) NSM Minimum Flow Requirements, (ii) Big Tree Flow Requirements, or (iii) McKays Minimum Outflow Requirements.

1.19 "NSM Non-Storage-Regulated Release" means the quantity of water which must be released from NSM Storage to supply the NSM Minimum Release Requirement.

1.20 "NSM Spill Prevention Rule Curve Storage" means the minimum quantity of water in NSM Storage which the project manager determines can be held in NSM Storage and assure refill based on conservative forecasts of runoff using snow pack measurements and long-range precipitation forecasts. NSM Spill Prevention Rule Curve Storage may be less than the NSM Minimum Release Curve Storage.

1.21 "NSM Storage" means the usable storage above NSM Dam for reregulating Project Inflow.

1.22 "NSM Storage-Regulated Release" means the quantity of water released from NSM Storage in excess of NSM Non-Storage-Regulated Releases to satisfy the generation schedules of the Operating Entities.

1.23 "Project Capacity" means the sum of the Collierville Capacity and the NSM Capacity.

1.24 "Project Inflows" means each of the following inflows to the Hydroelectric Project: (i) natural inflow to NSM reservoir from Highland Creek;

(ii) natural flows diverted from the North Fork Stanislaus River at the North Fork Diversion Dam to NSM reservoir; (iii) bypassed flows and spill at the North Fork Diversion Dam; (iv) natural inflows below NSM Dam on Highland Creek and below the North Fork Diversion Dam to the McKays Diversion Dam on the North Fork Stanislaus River; and (v) natural flows diverted from Beaver Creek to the McKays Diversion Dam at the Beaver Creek Diversion Structure.

1.25 "Project Obligations" means the obligations of the Hydroelectric Project as defined in the FERC License and agreements with local water districts and other governmental entities as applicable.

1.26 "Project Minimum Flow Obligations" are the minimum flows to be maintained at specified locations as provided in the FERC License.

1.27 "Regulation Study" means a study to determine the maximum monthly loads of an Operating Entity or of all Operating Entities which can be supplied by monthly Project Inflows when such flows are regulated by NSM Storage and the Hydroelectric Project is operated to satisfy Project Obligations under the FERC License.

Section 2. **General Operating Criteria.** The following general operating criteria are applicable to the operation of the North Fork Stanislaus River Hydroelectric Development Project generation facilities (hereinafter referred to as the "Hydroelectric Project"). The General Manager, or his or her designee,

shall act as project manager for the Hydroelectric Project on behalf of the Project Participants.

2.1 Good Utility Practice. The Hydroelectric Project shall be operated in accordance with Good Utility Practice.

2.2 Licenses and Regulatory Criteria. The Hydroelectric Project shall be operated in accordance with all license and regulatory requirements that are applicable to the Hydroelectric Project, including the FERC License.

2.3 Data Requirements. NCPA shall strive to maintain an accurate accounting of all Hydroelectric Project measurements and data, as described in this Facilities Schedule 7, which are used to manage and allocate the output of the Hydroelectric Project; provided, however, if due to failure of equipment, data transfer error or other condition in which Hydroelectric Project measurements and data are found to be incorrect, NCPA will develop and use estimated measurements and data pursuant to Good Utility Practice to perform its obligations pursuant to this Facilities Schedule 7, until such deficiency can be corrected.

2.4 Hydroelectric Project Statistics. The following are general Hydroelectric Project statistics:

Resource Name	Resource ID	Pmax	Pmin
Collierville Hydro Unit 1 & 2 Aggregation	COLVIL_7_PL1X2	246.86 MW	3 MW
Spicer Hydro Units 1-3 Aggregation	SPICER_1_UNITS	6 MW	0.1 MW

Section 3. Forecasting Project Storage and Use

3.1 Seasonal Runoff Forecasts. On or before the seventh (7th) Business Day of each month, December through May, the project manager will prepare a forecast of spring runoff based on hydrometeorology data including measurements of snow pack depth and water content and long-range forecasts of future precipitation. An analysis will be made to determine NSM Spill Prevention Rule Curve Storage required at the end of subsequent months through June to assure NSM Storage refill. For the period June-November, the project manager will provide a forecast based on historical information. NSM Spill Prevention Rule Curve Storage may be less than the NSM Minimum Release Rule Curve Storage. The project manager shall provide copies of all such forecasts and NSM Spill Prevention Rule Curve Storage data to the Facilities Committee for review and comment.

3.2 Long Term Schedules. Based on the information developed pursuant to Section 3.1 of this Facilities Schedule 7, and at least 10 Calendar Days prior to the start of each month for the periods described herein, each Operating Entity shall, at the request of the project manager, submit to the project manager forecasted monthly energy requirements as follows:

(i) before November of each year a schedule of monthly energy requirements for the following 14 months;

(ii) in the storage refill period before each month from January through June, changes in schedules of monthly energy requirements for the remainder of the calendar year;

(iii) in the storage draft period before each month from July through December, changes in schedules of its forecast monthly energy requirements to the end of the calendar year or for the following four (4) months, whichever is longer.

The project manager shall prepare a Regulation Study based on the Forecast Project Inflows to determine the forecast Hydroelectric Project operation of each Project Participant's Project Participation Percentage share of NSM Storage, and the total Hydroelectric Project generation for the following month based on Forecast Project Inflows. The project manager shall transmit to each Operating Entity the results of the Regulation Study for its respective Project Participation Percentage share of the Hydroelectric Project, and for the total Hydroelectric Project, within three (3) Business Days of receipt of the information supplied by the Operating Entities, including any revision made thereto.

Section 4. <u>Scheduling.</u>

4.1 Schedule Coordination. NCPA shall act as Scheduling Coordinator for the Hydroelectric Project, and perform such duties in accordance with the Amended and Restated Scheduling Coordination Program Agreement.

4.2 Scheduling Criteria and Project Coordination. Each Project Participant, acting as an Operating Entity, shall schedule and bid its Project Participation Percentage share of capacity, energy, and/or other project attributes in any manner, and shall coordinate the scheduling of its Project Participation Percentage share of the Hydroelectric Project with NCPA; provided, however, that such schedules or bid shall be consistent with licensing and regulatory criteria, operational limitations, all established scheduling requirements, including, but not limited to, those requirements set forth in the CAISO Tariff and as determined by NCPA pursuant to the Amended and Restated Scheduling Coordination Program Agreement, and the provisions of the respective Project Agreement. NCPA may act as Operating Entity on behalf of a Project Participant or a group of Project Participants, pursuant to separate agreement. The following specific scheduling criteria shall also apply to the Hydroelectric Project:

(i) each Operating Entity shall be entitled to schedule its Project Participation Percentage share of the Hydroelectric Project using its Project Participation Percentage share of Project Capacity, Project Inflow, NSM Storage,

and McKays Pondage after satisfying its Project Participation Percentage share of Project Obligations;

(ii) if the NSM Storage of an Operating Entity is equal to or less than its Project Participation Percentage share of NSM Minimum Release Rule Curve Storage, its generation schedule will be limited to its Project Participation Percentage share of NSM Non-Storage-Regulated Releases;

(iii) each Operating Entity shall be responsible for supplying its Project Participation Percentage share of NSM Non-Storage-Regulated Releases from its Project Participation Percentage share of NSM Storage;

(iv) each Operating Entity shall schedule its allocation of NSM Generation based on its NSM Non-Storage-Regulated Releases each day;

(v) each Operating Entity will be entitled to use its Project Participation Percentage share of McKays Pondage to reregulate its allocations of McKays Non-Storage-Regulated Inflow and McKays Storage-Regulated Inflow to satisfy its load requirements or other commitments;

(vi) the project manager, from time to time, will work with the Operating Entities and the Facilities Committee to identify McKays Minimum Pool, the applicable operating conditions and the associated minimum reservoir levels; the McKays Minimum Pool levels are established taking into account the Hydroelectric Project operational limitations, Project Minimum Obligations, the

amount of useable entitlement possible in the reservoir, and other criteria as appropriate; once established, Project Participants shall not draw down their Project Participation Percentage share of the McKays Reservoir below their Project Participation Percentage share of McKays Minimum Pool under any circumstances;

(vii) the Operating Entities will coordinate the operation of the NSM power plant and the Collierville power plant to maintain the McKays Pondage to strive to maximize the value of energy and ancillary services from the Hydroelectric Project.

4.3 NSM Minimum Release Obligations. The project manager shall perform a Regulation Study to determine the NSM Minimum Release Rule Curve Storage required to satisfy Project Minimum Flow Obligations under Dry Water Conditions. An Operating Entity shall not draw on its Project Participation Percentage share of NSM Storage below its Project Participation Percentage share of NSM Minimum Release Rule Curve Storage except when the established NSM Spill Prevention Rule Curve Storage is below the NSM Minimum Release Rule Curve Storage level. The Regulation Study and the NSM Minimum Release Rule Curve Storage for each Operating Entity, and in total for the Hydroelectric Project, shall be reviewed by the Facilities Committee.

4.4 Minimum Flow Obligations. Each Operating Entity shall be responsible for supplying its Project Participation Percentage share of Project Minimum Flow Obligations. If the sum of the Collierville generation preschedules of the Operating Entities during any interval of the day is less than the sum of the Collierville Minimum Generation, the project manager will coordinate with the Operating Entities and adjust the collective preschedules of the Operating Entities to meet the Collierville Minimum Generation.

4.5 Unscheduled Generation. If an Operating Entity does not schedule its Project Participation Percentage share of the Hydroelectric Project for use in its own system, or for sale to others, with the permission of that Operating Entity arranged through the project manager, the other Operating Entities may schedule such generation for their respective systems, or for sale to others. If more than one Operating Entity requests that such unscheduled generation be added to its schedule, the unscheduled generation shall be allocated in proportion to the each Operating Entity's Project Participation Entitlement share of the requesting Operating Entities.

4.6 Minimum Generation Transfers. At any time that the Hydroelectric Project is being operated at the minimum generation level to meet regulatory or operating requirements, and one Operating Entity has scheduled or is willing to schedule generation associated with such minimum generation, any other

Operating Entity may arrange with that Operating Entity to schedule output of the Hydroelectric Project that such Operating Entity would otherwise be required to schedule, upon agreement of the Operating Entities and appropriate notification to the project manager.

The responsibility for all arrangements in connection with any such transfers shall rest with the Operating Entities involved. Unless otherwise agreed by the Operating Entities and the project manager, the project manager shall have no obligation in connection with the transaction beyond operating the Hydroelectric Project to meet schedules provided and authorized by the Operating Entities.

4.7 Outage Coordination. Prior to the beginning of each Fiscal Year the project manager shall prepare and submit for approval to the Facilities Committee a planned outage schedule for the Hydroelectric Project. Changes or modifications made to the planned outage schedule during the course of the Fiscal Year shall be subsequently reported in a timely manner to each Project Participant. NCPA shall provide outage coordination services to track and report planned and unplanned outages pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

Section 5. Project Accounting.

5.1 General Considerations. The primary objective of project accounting is to record and account for each Operating Entity's use of its Project Participation Percentage share of Project Inflow, NSM Storage, McKays Pondage, and Hydroelectric Project generation to satisfy its share of Project Minimum Flow Obligations as defined in the FERC License.

5.2 Criteria. A generation account, a NSM Storage account, and a McKays Pondage account will be established for each Operating Entity. The generation account, the McKays Pondage account and the NSM Storage account will following a 2400 clock hour.

5.3 Required Models. Project accounting will include four basic models as follows:

(i) Flow Calculation;

(ii) Generation Accounting;

(iii) NSM Storage Accounting;

(iv) McKays Pondage Accounting.

The four models will be run in the above sequence and make the following determinations:

5.3.1 Flow Calculation. Flow calculations will determine the non-storage-regulated and storage-regulated flows available for power generation at the NSM power plant and at the Collierville power plant.

Non-storage-regulated flows include releases from NSM Storage to satisfy the project FERC License requirements and unregulated flows entering the North Fork Stanislaus River below the NSM Dam and above the McKays Diversion Dam. Flow calculations will be made in accordance with Appendix A of this Facilities Schedule 7.

5.3.2 Generation Accounting. Generation accounting will determine the quantity of project generation produced by each Operating Entity. Generation accounting will be calculated in accordance with Appendix B of this Facilities Schedule 7.

5.3.3 NSM Storage Accounting. Storage accounting will determine the amounts of NSM Storage for each Operating Entity. Storage accounting will be calculated in accordance with Appendix C of this Facilities Schedule 7.

5.3.4 McKays Pondage Accounting. McKays Pondage accounting will determine the amounts of McKays Pondage for each Operating Entity based on:

(i) the Operating Entity's allocation of McKays Non-Storage-Regulated Inflow;

(ii) the Operating Entity's allocation of McKays Storage-Related Inflow; and

(iii) the Operating Entity's allocation of Collierville generation.

McKays Pondage accounting will be calculated in accordance with Appendix D of this Facilities Schedule 7.

5.4 Project Flow Determinations. Each day the project manager will determine Hydroelectric Project flows required for NSM Storage accounting as described in Appendix A of this Facilities Schedule 7, and will provide to each Operating Entity a report on Hydroelectric Project flow determination including the following items:

(a) UPA and CCWD project diversions;

(b) McKays downstream releases including spill;

(c) McKays Minimum Outflow Requirements (a + b);

(d) Collierville discharge;

(e) total McKays outflow (c + d);

(f) McKays Pondage change:

(g) McKays Inflow (e + f);

(h) McKays Storage-Regulated Inflow;

(i) McKays Non-Storage-Regulated Inflow;

(j) Beaver Creek diverted flow;

(k) Big Trees Flow Requirements (g – h);

(l) NSM power plant discharge;

(m) NSM outlet works discharge;

(n) total NSM release (l + m);

(o) NSM Storage change;

(p) NSM inflow (n + o);

(q) total NSM Non-Storage-Regulated Release; and

(r) total NSM Storage-Regulated Release.

Additionally, any two (2) Operating Entities, by mutual consent, may trade water in McKays Reservoir, and make a simultaneous offsetting reverse trade of their NSM Storage. The quantity of the offsetting trade at NSM is reduced by eight percent (8%) to compensate the Operating Entity trading away at NSM for the loss of the opportunity to generate with that water through the NSM power plant.

FACILITIES SCHEDULE 7

APPENDIX A

FLOW CALCULATIONS

Section 1. **Definitions.** Unless defined in this Appendix A of Facilities Schedule 7, all terms used in this Appendix A of Facilities Schedule 7 with initial capitalization shall have the same meaning as those contained in Section 1 or Facilities Schedule 7 of this Agreement.

1.1 "Bank Storage" means the storage within the banks of a river stretch resulting from the change in river stage at different flows. Filling and emptying of Bank Storage results in time delays between changes in discharge at NSM Dam and the corresponding changes in observed flow at McKays. Bank Storage in all stretches of the river below NSM is represented as an imaginary pondage reservoir above McKays.

1.2 "NSM Storage-Regulated-Flows" means releases into Bank Storage from NSM Reservoir exclusively to produce power at the NSM power plant or to produce power or ancillary services at the Collierville power plant.

1.3 "NSM Non-Storage-Regulated-Flows" means releases into Bank Storage from the NSM Reservoir to satisfy Project Minimum Flow Obligations including: (i) minimum flows below NSM Dam, (ii) minimum flows at Big Trees State Park, (iii) required Mill Creek Tap Diversion; (iv) minimum flows below

McKays Point Dam, (v) minimum flows below the confluence of Beaver Creek and the North For Stanislaus River, and (vi) NSM spill.

1.4 "Unregulated Flow" means unregulated flow into McKays including the following: (i) inflow to the North Fork Stanislaus River below NSM Dam and below the North Fork Diversion Structure, (ii) North Fork Diversion Structure spill and fish release, and (iii) Beaver Creek diverted flows.

Section 2. **Basic Hydro Data.** All flow calculations will be based on the following measurements:

(i) NSM releases include the following:

a. NSM power plant discharge;

b. NSM outlet works discharge; and

c. NSM spill;

(ii) NSM Reservoir elevation;

(iii) McKays Pondage inflows, including:

a. Avery gauge; and

b. Beaver Creek diverted flow measurement;

(iv) McKays Pondage outflows, including:

a. Collierville power plant discharge;

b. Mill Creek Tap diversions;

c. McKays downstream fish release; and

d. McKays spill;

(v) Stream gauge below McKays Dam – indirect spill calculation only;

(vi) McKays Pond elevation.

Section 3. **General Procedure.**

(i) All flows will be calculated and routed through the system using the model described herein.

(ii) The model will be considered to comprise three subsystems as follows:

a. NSM subsystem;

b. McKays subsystem; and

c. Bank Storage subsystem.

(iii) The Bank Storage subsystem will serve as a substitute for the effect of natural bank storage within the river system between NSM Dam and McKays Dam to represent travel time.

Section 4. **Routing.**

4.1 Routing Interval. A basic routing interval of one-half hour is used. Computations will be based on average water and power flows recorded over the routing interval.

4.2 Routing Criteria. The following criteria will be used in flow routing:

(i) Bank Storage outflow will be assumed to come:

a. First from Bank Storage of NSM Non-Storage-Regulated Flow; and

b. Second from Bank Storage of NSM Storage-Regulated Flow.

(ii) Big Trees flow in excess of available Bank Storage will be assumed to be Unregulated Inflow into McKays.

Section 5. Flows.

5.1 McKays Flows.

(i) Determine McKays outflow from McKays Pondage as the sum of Collierville discharge, Mill Creek Tap diverted flow, McKays fish release and McKays spill.

(ii) Determine McKays Inflow as the sum of McKays outflow plus the change in McKays Pondage.

(iii) McKays minimum outflow is the sum of the flow diverted from the Mill Creek Tap and the McKays fish release.

(iv) Determine Big Trees flows as McKays Inflow less Beaver Creek diverted flow.

5.2 NSM Flows.

(i) Determine NSM release as the sum of NSM power plant discharge, NSM outlet works discharge and NSM spill.

(ii) Determine NSM inflow as the sum of NSM release and the change in NSM Storage.

5.3 Bank Storage Flows.

(i) Bank Storage inflow is equal to the sum of NSM Storage less NSM Storage-Regulated Releases and NSM Non-Storage-Regulated Releases.

(ii) Bank Storage is accumulated in those routing intervals when Bank Storage inflow is greater than Big Trees flow. Bank Storage for each Operating Entity will be classified and accumulated as non-storage-regulated or storage-regulated, in accordance with the classification of the release from NSM.

(iii) Bank Storage outflow is used to supply Big Trees flow.

(iv) If there is not sufficient Bank Storage to supply all of the Big Trees flow, then the balance of the Big Tree flow is assumed to be Unregulated Inflow directly into McKays and not through Bank Storage.

(v) In accordance with the routing criteria stated herein, all non-storage-regulated water in Bank Storage is depleted before any storage-regulated water is released.

FACILITIES SCHEDULE 7

APPENDIX B

GENERATION ACCOUNTING

Section 1. **General Considerations.** Project generation may be placed in three principal categories:

1.1 Generation which must be produced at the Collierville power plant:

(i) to discharge unregulated flows entering the North Fork Stanislaus River below NSM Dam or below the North Fork Diversion Structure including Beaver Creek Diversion discharge; or

(ii) to discharge North Fork Diversion Dam spill or NSM spill through the Collierville power plant.

1.2 Generation produced at the NSM power plant resulting from the release of NSM Storage to satisfy minimum release requirements of the FERC License.

1.3 Generation produced at the NSM and Collierville power plant resulting from the release of storage to meet the energy and ancillary service requirements of the Operating Entities.

Section 2. **Generation Accounting.**

2.1 Operating Entity Responsibilities. Each Operating Entity is responsible for submitting NSM water release schedules, NSM energy schedules, Collierville energy schedules, ancillary service self-provision schedules and bids to the project manager in the time frames as specified in the Amended and Restated Scheduling Coordination Program Agreement. Each Operating Entity's pre-scheduled daily NSM water release schedules will be developed by the project manager based on each Operating Entity's estimate of Collierville energy use for that day. Each Operating Entity shall provide an estimate of total daily Collierville energy use no later than 07:00 each pre-scheduling day. NSM water release schedules can be adjusted for future hours, but not for the currently active hour, and not retroactively. Energy and ancillary service schedules must follow the scheduling protocols of the CAISO Tariff and the Amended and Restated Scheduling Coordination Program Agreement, and are therefore not changeable after having been processed through the CAISO scheduling process.

2.2 NSM Generation. Generation actually produced at the NSM power plant will be allocated to the Operating Entities in proportion to their water release schedules, as specified in Appendix B of the Amended and Restated Scheduling Coordination Program Agreement. This allocation means that it is the NSM water release schedules, and not the NSM energy schedules, that form the basis for the allocation of power at NSM. The NSM energy schedules are

needed to determine CAISO energy balancing purposes in the day-ahead market, and should correspond appropriately to the NSM water release schedules, but ultimately it is the NSM water release schedules that dictate the allocation.

2.3 Collierville Generation. Collierville discharge through the power plant is allocated to the Operating Entities in the same proportion as the metered energy allocation results described in Appendix B to the Amended and Restated Scheduling Coordination Program Agreement (commonly referred to as the Unit Energy Allocation or ("UEA")).

FACILITIES SCHEDULE 7

APPENDIX C

NSM STORAGE ACCOUNTING

Section 1. **General Considerations.** Each Operating Entity will be allocated its Project Participation Percentage share of NSM Storage. Storage accounting will determine the amount of NSM Storage drafted by each Operating Entity each day and the status of the Operating Entity's allocation of NSM Storage at the end of each day.

An Operating Entity may utilize the Project Participation Percentage share of NSM Reservoir storage of other Operating Entities, provided that, if it is necessary to spill at NSM Dam, such spill will be assumed to be first from water stored by the Operating Entity who is using the Project Participation Percentage share of NSM Reservoir storage of other Operating Entities. The allocation of spill will be based on the amount the Operating Entities are "over-filled" relative to their respective Project Participation Percentage shares of NSM Reservoir storage. If more than one Operating Entity is over-filled, the initial allocation of spill will be pro-rata to each based on the amount each is over-filled. Once all water stored in the Project Participation Percentage share of others is spilled, any remaining spill is allocated based on Project Participation Percentage shares.

Section 2. **NSM Storage Accounting.**

2.1 NSM Inflow Allocation. Each Operating Entity will be allocated its NSM Inflow (as determined in accordance with Appendix A of this Facilities Schedule 7, Flow Calculations) by Project Participation Percentage share.

2.2 NSM Release Allocation. Each Operating Entity shall provide a NSM water release schedule for each interval of each day. The actual NSM water releases, calculated as described in Appendix A of this Facilities Schedule 7, will be pro-rated to the Operating Entities based on the water release schedules. The Facilities Schedule 7 model algorithm will automatically allocate the actual NSM water releases by Operating Entity in each interval first to satisfy each Operating Entity's share of the NSM Minimum Release. These are classified in accordance with Appendix A of this Facilities Schedule 7 as non-storage-regulated flows. The remainder of each Operating Entity's water release will be considered storage-regulated flows.

2.3 NSM Storage Change. The change in NSM Storage of each Operating Entity will be equal to the Operating Entity's allocation of NSM Inflow minus each Operating Entity's storage-regulated and non-storage-regulated releases.

2.4 End-of-Interval NSM Storage. The end-of-interval NSM Storage of each Operating Entity will be the algebraic sum of the Operating Entity's beginning-of-interval NSM Storage and its NSM Storage change.

FACILITIES SCHEDULE 7

APPENDIX D

MCKAYS PONDAGE ACCOUNTING

Section 1. **General Considerations.** Determinations of McKays Pondage accounts for each Operating Entity will be made each day.

Section 2. **McKays Pondage Accounting.**

2.1 McKays Entitlement. Each Operating Entity will be allocated an entitlement amount of the total useable McKays Pondage in accordance with this Appendix D of Facilities Schedule 7.

2.2 Storage in Excess of Entitlement. An Operating Entity may utilize the McKays Pondage entitlements of other Operating Entities, provided that if it is necessary to spill at McKays Dam, such spill will be assumed to be first from water stored by the Operating Entity who is using the entitlement of other Operating Entities. The allocation of spill will be based on the amount the Operating Entities are "over-filled" relative to their Project Participation Percentage share of McKays Pondage. If more than one Operating Entity is over-filled, the initial allocation of spill will be pro-rata to each Operating Entity based on the amount each Operating Entity is over-filled. Once all water stored in the entitlements of others is spilled, any remaining spill is allocated based on Project Participation Percentage shares.

2.3 Allocation of Flows. Flows are allocated to each Operating Entity as follows:

(i) Unregulated inflow, non-storage regulated inflow, inflow from Beaver Creek, Mill Creek Tap Outflow and McKays Fish Release are allocated based on Project Participation Percentage shares;

(ii) Storage-regulated inflow is allocated in accordance with the bank storage routing criteria specified in Appendix A of this Facilities Schedule 7, and the accumulated Operating Entity Project Participation Percentage shares of the storage-regulated water in bank storage, based on each Operating Entity's NSM water release schedules;

(iii) Spill is allocated as specified in Section 2.2 of this Appendix D; and

(iv) Collierville discharge through the power plant is allocated to the Operating Entities in the same proportion as the metered energy allocation results described in Appendix B of the Amended and Restated Scheduling Coordination Program Agreement (commonly referred to as the Unit Energy Allocation ("UEA"), and which allocates NSM energy based on the NSM water release schedules).

2.4 Operating Entity Pondage. At the end of each interval, each Operating Entity's McKays Pondage is determined by algebraically summing the

Operating Entity's allocation of inflows and outflows with the ending McKays Pondage from the previous interval.

2.5 Water Trades Between McKays and NSM Pondage. Any two Operating Entities, by mutual consent, may trade water in McKays, and make a simultaneous offsetting reverse trade of their Pondage at NSM. The quantity of the offsetting trade at NSM is reduced to compensate the Operating Entity trading away at NSM for the loss of the opportunity to generate with that water through the NSM power plant. The trade at NSM will be reduced by 8% (based on the historical generation water duty ratio for NSM releases) relative to the trade at McKays.

Water trades are effective as of 0001 of the agreed-upon trade day (since the Facilities Schedule 7 algorithm re-calculates each interval of the current day every half-hour, this means that there will be no retroactive computer re-runs required). A trade can be arranged to apply no earlier than 0001 of the current day. Once agreed by the trading Operating Entities, the trade will be scheduled by the project manager. Trades are of water only with no corresponding financial payments. If there is no willing partner to a proposed trade, then each Operating Entity's Pondage results are unchanged, and all Facilities Schedule 7 results, including the allocation of spill, remain unchanged.

FACILITIES SCHEDULE 8

COMBUSTION TURBINE PROJECT NO. 2 OPERATING PROCEDURES

Section 1. **Definitions.** Unless defined in this Facilities Schedule 8, all terms used in this Facilities Schedule 8 with initial capitalization shall have the same meaning as those contained in Section 1 of this Agreement.

1.1 "Pool" or "Pooling" has the meaning as defined in the Second Amended and Restated Pooling Agreement.

Section 2. **General Operating Criteria.** The following general operating criteria are applicable to the operation of the Combustion Turbine Project No. 2 generation facilities (hereinafter referred to as the "STIG Project"). The General Manager, or his or her designee, shall act as project manager for the STIG Project on behalf of the Project Participants.

2.1 Good Utility Practice. The STIG Project shall be operated in accordance with Good Utility Practice.

2.2 Licenses and Regulatory Criteria. The STIG Project shall be operated in accordance with all license and regulatory requirements that are applicable to the STIG Project (e.g., air permit restrictions).

2.3 Project Operation. The project manager shall normally operate the STIG Project in accordance with day ahead and active day schedules. The project manager may deviate from the scheduled operation due to system economics or

other operating conditions, provided that such deviations shall be coordinated among the Operating Entities.

2.4 STIG Project Statistics. The following are general STIG Project statistics:

Resource Name	Resource ID	Pmax	Pmin
Lodi STIG Unit	STIGCT_2_LODI	49.9 MW	25 MW

Section 3. Scheduling Criteria.

3.1 Schedule Coordination. NCPA shall act as Scheduling Coordinator for the STIG Project, and perform such duties in accordance with the Amended and Restated Scheduling Coordination Program Agreement.

3.2 Scheduling Criteria and Project Coordination. Each Project Participant, acting as an Operating Entity, may schedule and bid its Project Participation Percentage share of capacity, energy, and/or other project attributes in any manner, and shall coordinate the scheduling of its Project Participation Percentage share of the STIG Project with NCPA; provided, however, that such schedules or bid shall be consistent with licensing and regulatory criteria, operational limitations, all established scheduling requirements, including, but not limited to, those requirements set forth in the CAISO Tariff and as determined by NCPA pursuant to the Amended and Restated Scheduling Coordination Program Agreement, and the provisions of the respective Project

Agreement. NCPA may act as Operating Entity on behalf of a Project Participant or a group of Project Participants, pursuant to separate agreement.

Notwithstanding the foregoing, upon mutual agreement of the STIG Project Operating Entities NCPA may, acting as project manager, schedule and bid the entire STIG Project on behalf of the Project Participants for capacity, energy, and/or other project attributes into the CAISO markets and shall strive to maximize the economic value of the STIG Project while taking full consideration of other regulatory costs (e.g., GHG compliance obligations).

3.3 Load Following. The STIG Project may be utilized by NCPA to provide load following capacity, provided that Project Participants are compensated for such operation in accordance with this Facilities Schedule 8.

3.4 Allocation of Project Output. All output of the STIG Project, including capacity, energy and/or other project attributes shall be allocated among the Project Participants in accordance with the Project Agreement, this Facilities Schedule 8, and the Amended and Restated Scheduling Coordination Program Agreement.

3.5 Outage Coordination. Prior to the beginning of each Fiscal Year the project manager shall prepare and submit for approval to the Facilities Committee a planned outage schedule for the STIG Project. Changes or modifications made to the planned outage schedule during the course of the

Fiscal Year shall be subsequently reported in a timely manner to each Project Participant. NCPA shall provide outage coordination services to track and report planned and unplanned outages pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

Section 4. Natural Gas Fuel Supply.

4.1 General. The STIG Project consumes natural gas as a fuel in order to generate electric power for the benefit of the Project Participants. Section 4 of this Facilities Schedule 8 describes the terms and conditions under which NCPA will procure natural gas fuel for the STIG Project.

4.2 Economic Dispatch and Daily Fuel Requirements. The STIG Project consists of one generator. Unless called upon by the CAISO for emergency conditions, the STIG Project is economically dispatched or self-scheduled in accordance with the operating procedures defined in this Facilities Schedule 8. In either case the fuel supply requirements of the STIG Project are primarily met though NCPA's contractual relationship with a primary supplier under a gas management agreement and supplemented with North American Energy Standards Board ("NAESB") agreements with various Third Parties to encourage competitive fuel supplies. The cost for natural gas fuel procured for the STIG Project will be allocated to the Project Participants in accordance with

the Project Agreement, this Agreement, and the Amended and Restated Scheduling Coordination Program Agreement.

4.3 Forward Natural Gas Procurement and Financial Hedging. NCPA is permitted to procure natural gas fuel in advance of generation provided that the term of the purchase does not exceed one month with delivery occurring within the next calendar month following the transaction. No financial hedges for fuel supply costs associated with the STIG Project will be implemented pursuant to this Facilities Schedule 8. NCPA may assist any Project Participant that desires to procure natural gas in advance for anticipated STIG Project fuel supply requirements, upon written request of a Project Participant, provided that NCPA and the requesting Project Participant have executed a separate agreement for such purposes.

4.4 Fuel Supply Management and Scheduling. Natural gas fuel consumed by the STIG Project must be scheduled and transported to the generator site. To obtain necessary scheduling and transportation rights and services the Commission may periodically authorize contracts with Third Parties and/or authorize subscriptions for transportation and storage services under pipeline tariffs in accordance with procurement policies and procedures established by the Commission.

Section 5. Unused Project Participation Percentage Share.

5.1 Unused Project Participation Percentage Share.

5.1.1 Day Ahead Scheduling. If an Operating Entity does not elect to schedule and bid its Project Participation Percentage share of the STIG Project in the day ahead market, pursuant to Section 3 of this Facilities Schedule 8, the remaining Operating Entities may request the entire output of the STIG Project. If the remaining Operating Entities desire to take energy from the STIG Project, they must take the entire minimum economic operating output as determined by the project manager. An Operating Entity that did not take their Project Participation Percentage share in the day ahead scheduling process cannot request their Project Participation Percentage share in the active day where other Operating Entities have requested to take the entire output of the STIG Project, unless otherwise mutually agreed. Any Operating Entity that does not take their Project Participation Percentage share shall be compensated for their Project Participation Percentage share by the other Operating Entities in accordance with this Facilities Schedule 8. If the STIG Project is not scheduled for any Operating Entity, the STIG Project will remain available for active day scheduling for any Operating Entity.

5.1.2 Active Day Scheduling. If an Operating Entity does not elect to schedule and bid its Project Participation Percentage share of the

STIG Project in the active day market, pursuant to Section 3 of this Facilities Schedule 8, the remaining Operating Entities may request the entire output of the STIG Project. If the remaining Operating Entities desire to take energy from the STIG Project, they must take the entire minimum economic operating output as determined by the project manager. Once an Operating Entity communicates to the project manager that it does not desire to take its Project Participation Percentage share in the active day scheduling process, they cannot request their Project Participation Percentage share in any hours of the active day where other Operating Entities have requested to take the entire output of the STIG Project, unless otherwise mutually agreed. Any Operating Entity that does not take their Project Participation Percentage share shall be compensated for their Project Participation Percentage share by the other Operating Entities in accordance with this Facilities Schedule 8. If the STIG Project is not scheduled for any Operating Entity, the STIG Project is available for use by the project manager.

Section 6. <u>Coordinated Settlements, Cost Recovery, and Reimbursement of Margin (Between Pool and non-Pool Project Participants).</u>

6.1 <u>General Considerations.</u>

(i) the objective of settlements and cost recovery is to ensure that Project Participants pay actual operating costs, and provide the process that will

ensure scheduling and operation by an Operating Entity does not have any adverse economic impact on another Operating Entity; and

(ii) the objective of reimbursement of margin is to ensure that if the STIG Project is scheduled to operate and an Operating Entity cancels the operation, due to economic conditions or load following, such cancellation does not adversely affect another Operating Entities' ability to receive its expected margin from the planned operation of the STIG Project.

6.2 Settlements.

(i) whenever the STIG Project is operated, Project Participants shall pay the variable costs of generation including any associated CAISO costs and uninstructed energy costs, according to their Project Participation Percentage share;

(ii) associated CAISO costs and uninstructed energy costs will be allocated and settled in accordance with Appendix B of the Amended and Restated Scheduling Coordination Program Agreement;

(iii) Project Participants shall be paid for project output pursuant to the CAISO Tariff and project output shall be allocated according to their Project Participation Percentage share; and

(iv) for non-Pool Operating Entities receiving energy through an inter-scheduling coordinator trade, such Operating Entity shall pay for the inter-

scheduling coordinator trade pursuant to the CAISO Tariff and Appendix B of the Amended and Restated Scheduling Coordination Program Agreement.

6.3 Cost Recovery.

(i) an Operating Entity that is taking energy greater than their Project Participation Percentage share shall compensate the other Operating Entities to ensure that those whose Project Participation Percentage share was consumed by others are, at a minimum, financially neutral;

(ii) in the context of this Facilities Schedule, financial neutrality means, if the Operating Entity scheduling less than their Project Participation Percentage share has a net cost for those hours of the day that their Project Participation Percentage share was being used by others, taking into account the costs and payments under this Facilities Schedule 8, the Operating Entity using the Project Participation Percentage share shall pay the Operating Entity whose entitlement was used an amount to ensure the net cost is zero for the Operating Entity whose Project Participation Percentage share was used by others; and

(iii) the STIG Project may be used for load following; in such case, the Pool Operating Entity shall compensate the non-Pool Operating Entity to ensure that the non-Pool Operating Entity is financially neutral or so that its contribution to margin from CAISO market awards is maintained.

FACILITIES SCHEDULE 9

POWER PURCHASE PROJECTS OPERATING PROCEDURES

Section 7. **Definitions.** Unless defined in this Facilities Schedule 9, all terms used in this Facilities Schedule 9 with initial capitalization shall have the same meaning as those contained in Section 1 of this Agreement.

7.1 "Power Purchase Project" means a power purchase contract or contracts which are individually or collectively deemed to be NCPA Projects.

Section 8. **General Operating Criteria.** The following general operating criteria are applicable to the operation of each Power Purchase Project. The General Manager, or his or her designee, shall act as project manager for the scheduling and operation of each Power Purchase Project.

8.1 Good Utility Practice. Power Purchase Projects shall be operated in accordance with Good Utility Practice.

8.2 Licenses and Regulatory Criteria. Power Purchase Projects shall be scheduled and operated in accordance with all license and regulatory requirements that are applicable to the Power Purchase Projects, if any.

Section 9. **Scheduling Criteria.**

9.1 Schedule Coordination. NCPA shall act as Scheduling Coordinator for each Power Purchase Project, and perform such duties in accordance with the Amended and Restated Scheduling Coordination Program Agreement.

9.2 Scheduling Criteria and Project Coordination. Each Project Participant, acting as an Operating Entity, shall schedule and bid its Project Participation Percentage share of capacity, energy, and/or other project attributes in any manner, and shall coordinate the scheduling of its Project Participation Percentage share of each Power Purchase Projects with NCPA; provided, however, that such schedules or bids shall be consistent with licensing and regulatory criteria, operational limitations, all established scheduling requirements, including, but not limited to, those requirements set forth in the CAISO Tariff and as determined by NCPA pursuant to the Amended and Restated Scheduling Coordination Program Agreement, and the provisions of the respective Project Agreement. NCPA may act as Operating Entity on behalf of a Project Participant or a group of Project Participants, pursuant to separate agreement.

9.3 Allocation of Project Output. All output of a Power Purchase Project, including capacity, energy and/or other project attributes shall be allocated among the Project Participants in accordance with the Project Agreement and the Amended and Restated Scheduling Coordination Program Agreement.

9.4 Outage Coordination. Prior to the beginning of each Fiscal Year the project manager shall prepare and submit for approval to the Facilities

Committee a planned outage schedule for each Power Purchase Project, if applicable. Changes or modifications made to the planned outage schedule during the course of the Fiscal Year shall be subsequently reported in a timely manner to each Project Participant. NCPA shall provide outage coordination services to track and report planned and unplanned outages pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

FACILITIES SCHEDULE 10

RESERVE FUNDS

Reserve funds shall be established by the Commission for each NCPA Project as set forth in this Facilities Schedule 10. Reserve Funds shall be classified as either "Mandatory Reserve Funds" or "Additional Reserve Funds."

Section 1. **Mandatory Reserve Funds.** Each NCPA Project that is financed by the issuance of notes, bonds, or other public debt ("Bonds") is secured by the provisions of a Project Indenture of Trust. Each Project Indenture of Trust establishes, among other things, various interrelated reserve funds for the protection of the holders of the Bonds. The following Mandatory Reserve Funds are governed by the provisions of the applicable Project Indenture of Trust:

1.1 Debt Service Reserve Fund. A reserve equal to the maximum annual debt service over the life of the outstanding debt. This reserve fund may be used to pay debt service in the event that amounts in the debt service fund are not sufficient.

1.2 Reserve and Contingency Fund. The renewal and replacement account is a subaccount of the reserve and contingency fund used to pay the cost of acquisition and construction relating to any capital improvement. In general, a capital improvement is a repair, addition, improvement, modification or betterment to a NCPA Project that is: (i) consistent with Good Utility Practice

and determined necessary by the Commission to keep the NCPA Project in good operating condition or to prevent a loss of revenue therefrom; (ii) required by any governmental agency having jurisdiction over the NCPA Project; or (iii) not any generating unit in addition to those included in the NCPA Project. (See the appropriate Project Indenture of Trust for specific definition).

The reserve account is a subaccount of the reserve and contingency fund used to pay the cost of the following to the extent not provided for in the Annual Budget or by an operating reserve in the operating fund: (i) acquisition and construction relating to capital improvements to the extent amounts in the renewal and replacement account are not sufficient; and (ii) items related to extraordinary operations and maintenance costs and contingencies, including payments to prevent or correct any unusual loss or damage to the NCPA Project. Any increase or decrease in the balance to be on deposit in this account must be recommended by the consulting engineer as provided in the applicable Project Indenture of Trust.

1.3 General Reserve. The general reserve is a subaccount of the general reserve used to pay any deficiencies in any other funds and accounts established by the Project Indenture of Trust and for any other purpose related to the NCPA Project. The rate stabilization account is a subaccount of the general reserve used to provide revenues so that Participant rates may be stabilized.

1.4 Operating Fund. A fund used to pay current NCPA Project operating expenses. This fund also contains any amounts set aside as working capital or operating reserves. In its Annual Budget process, the Commission will determine and establish appropriate purposes for and levels of operating reserves to be held and maintained in the operating fund of the applicable NCPA Project. Such operating reserves may include, but are not limited to, the following:

(i) the working capital reserve is a reserve equal to the average amount of capital required for operating purposes to fund expenditures made prior to receipt of revenue collections; and

(ii) the maintenance reserve is a reserve for anticipated periodic operating costs including, but not limited to, scheduled and unscheduled maintenance other than ordinary repairs and replacements, e.g., overhaul, inspection, etc.

Upon completion of construction of the applicable NCPA Project, interest income on such reserves is considered a revenue for Project Indenture of Trust purposes, and therefore treated as an operating revenue to NCPA to be allocated back to the applicable NCPA Project.

Section 2. Additional Reserve Funds. Additional Reserve Funds may be established by the Commission from time to time, provided their establishment

does not affect the funding, maintenance, or operation of any Mandatory Reserve Fund.

Funding mechanisms for all Additional Reserve Funds will be determined on a case by case basis by the Commission upon the recommendation of the Facilities Committee, but unless such Additional Reserve Fund is limited to a specific project, may not be funded under a Project Agreement. If the additional Reserve Fund is designated for capital improvements, the recommendation of the NCPA Finance Committee will also be requested.

NCPA shall maintain separate accounts for all Additional Reserve Funds. Unless otherwise required by a Project Indenture of Trust, at the time an Additional Reserve Fund is established, the Commission shall determine whether the interest accrued on the balance of the fund shall be treated and accounted for as: (i) operating revenue to NCPA to be allocated back to the applicable NCPA Project, or (ii) an addition to the balance of the fund. NCPA shall maintain records and provide reports for each Additional Reserve Fund as provided in this Agreement.

FACILITIES SCHEDULE 11

PROJECT PHASES

Pursuant to Section 6 of this Agreement, any NCPA Project undertaken by NCPA may have one or more phases. Facilities Schedule supplements the description of each phase provided in Section 6 of this Agreement.

Section 1. **First Phase Projects.** Review and recommendations regarding First Phase Project activities shall be made by the Facilities Committee. Each Member obtains a right to participate in any Project identified by First Phase activity proportional to its contribution to First Phase costs at the time a Project is identified and becomes a candidate for Second Phase activity. First Phase activity includes the following typical scope of work:

(i) make general investigations and obtain currently available background, technical, economic and other preliminary data concerning the feasibility of a specific Project; and

(ii) hold initial discussions to gain sufficient understanding of data and circumstances surrounding the proposed Project to enable staff to report, and/or recommend Participant participation in Second Phase activity and execution of a Second Phase Agreement enabling such activity.

Section 2. **Second Phase NCPA Projects.** Second Phase development activity begins upon the identification of a Project in substantial detail to allow

proceeding with participation agreements resulting from investigations pursuant to First Phase activities.

Subject to the provisions of this Agreement, Second Phase participation rights are based a Participant's share of funding First Phase activities. Final Second Phase Project Participation Percentages will be determined by election by those Project Participants desiring to participate pursuant to the Second Phase Agreement. A Second Phase project must be fully subscribed to proceed with the scope of work for the project. Limitations in scope of work, off ramps or conditions of participation in Second Phase projects will be addressed in the language of the associated Second Phase Agreement.

Funding for Second Phase projects may proceed in two steps:

2.1 Step 1. Step 1, is defined as the period from identification of a Second Phase project, up to the final execution of a Second Phase Agreement for all Participants desiring participation. Step 1 funding sources will be determined at the discretion of the Project Participants. Typically, funding for Step 1 costs will be by direct assessments to Participants or by withdrawals from Participants' Second Phase funds, in accordance with each Participant's Project Participation Percentage at the time of authorization of Step 1.

Step 1 is optional and is provided in order to maintain continuity in the project or to advance the project to some gain not otherwise obtainable without

implementing Step 1. All Step 1 costs will be included for ultimate reimbursement and accounted for in the final Second Phase Agreement executed by the Project Participants. Project Participation Percentages may change from Step 1 to Step 2. In the event that the Second Phase project is terminated before final execution of a Second Phase Agreement, each Project Participant will absorb those costs expended, up to and including termination costs. No refunds are anticipated for Step 1 costs associated with a terminated project.

2.2 Step 2. Step 2 is defined as the period beginning at final execution of a Second Phase Agreement and ending either when the Third Phase Agreement for the NCPA Project becomes effective, or in the case where an NCPA Project does not progress to the Third Phase, upon termination of the Second Phase Agreement.

Step 2 costs will be funded at the discretion of the Project Participants. Typical funding for Step 2 costs will be by direct assessment, temporary financing or permanent financing, depending on the needs of the project and Project Participants. Second Phase costs will consist of all Step 1 costs (optional) and all Step 2 costs. All Second Phase costs will be included for ultimate reimbursement and accounted for in the final Third Phase Agreement executed by the Project Participants. Project Participation Percentages may change from the Second Phase to Third Phase of a project. In the event that the Second Phase

of a project is terminated prior to the final execution of a Third Phase Agreement, each Project Participant will absorb those costs expended, up to and including termination costs. No refunds are anticipated for Second Phase costs associated with a terminated project. Second Phase activity includes the following typical scope of work:

(i) licensing/permitting of a project;

(ii) preparation of design or turn-key specification documents for construction or a project; and

(iii) negotiation of contracts.

Section 3. **Third Phase NCPA Projects.** Third Phase activities are described in Section 6 of this Agreement.

FACILITIES SCHEDULE 12

FEDERAL TAX GUIDELINES RELATING TO PRIVATE BUSINESS USE

NCPA has issued a number of Bond issues (the "Bonds") for the NCPA Projects which have been "traditional" tax exempt bond or Build America Bond obligations, which are "tax advantaged" under provisions of the Internal Revenue Code (the "Tax Status"). This Facilities Schedule 12 summarizes and documents the various federal tax restrictions approved by the Commission to be used as guidelines relating to private business use of the NCPA Projects and the capacity and energy from the NCPA Projects required to qualify and maintain the Tax Status of the Bonds. Failure to comply with the private business use requirements set forth in this Facilities Schedule 12 may adversely affect the Tax Status of the Bonds.

Section 1. **Definitions.** Unless defined in this Facilities Schedule 12, all terms used in this Facilities Schedule 12 with initial capitalization shall have the same meaning as those contained in Section 1 of this Agreement.

1.1 "Bonds" means bonds, notes or other evidences of indebtedness of NCPA (including, without limitation, contracts relating to letters of credit or other credit enhancement devises, interest rate swap and other agreements relating to interest rate or other cash-flow exchanges such as those authorized by the Public Finance Contracts Law, and other contracts which are characterized as

debt by NCPA at or prior to the execution thereof) issued to finance or refinance a NCPA Project and to finance or refinance any contributions-in-aid-of-construction for construction necessary for the adjacent electric system to interconnect with a NCPA Project and includes additional bonds to complete a NCPA Project and may consist of that portion of an issue of NCPA bonds, notes or other evidences of indebtedness issued to finance the costs of a NCPA Project, which portion is specifically identified as Bonds.

1.2 "Build America Bonds" or "BABs" means taxable municipal bonds that feature tax credits and/or federal subsidies for bondholders and state and local government bond issuers.

1.3 "Internal Revenue Code" means all federal tax laws.

1.4 "Internal Revenue Service" means the federal agency responsible for administering and enforcing the Treasury Department's revenue laws, through the assessment and collection of taxes, determination of pension plan qualification, and related activities.

1.5 "Treasury Regulations" means tax regulations issued by the Internal Revenue Service.

Section 2. **Restrictions on Non-Governmental Use.** Neither NCPA nor the Participants may expect that (i) more than five (5) percent of the proceeds of a Bond issue will be used to make or finance loans to any person other than a state

or local governmental unit, or (ii) except as described below, more than the permitted amount of the proceeds of a Bond issue (that is, the lesser of 10 percent or $15 million, as applicable) will be used in any trade or business carried on by any natural person or any activity carried on by anyone other than a natural person or a State or local governmental unit.

"Use" includes the sale of power (whether consisting of capacity, energy, or both, including the sale of ancillary services) to non-governmentally owned utilities (including e.g., the federal government, Bonneville Power Administration and Western Area Power Administration) pursuant to output or requirements contracts as well as any other arrangements for the sale of power on terms different from those available to the general public. Such may include contracts with retail customers that contain provisions which obligate a customer to make payments that are not contingent on the output requirements of the customer or that obligate the customer to have output requirements (including provisions which obligate the customer not to cease operations). The private business use restrictions are applied by taking into account any arrangements NCPA or any of the Participants have with non-exempt persons (generally, for these purposes any entity or person other than a municipally owned utility) for the sale of power from a NCPA Project. Use also includes providing a non-governmental person with control, whether direct or indirect, over the

operations, maintenance or decision making as to when to run or not run a particular NCPA Project (in tax parlance such rights would be called "special legal entitlements"). Such special legal entitlements also may create private business use.

Applicable Treasury Regulations provide an exception to private business use if the non-governmental person uses the property (or the capacity or energy for the property) as a member of the general public. This occurs if the "property is intended to be available and in fact is reasonably available for use on the same basis by natural persons not engaged in a trade or business." Use on the same basis as the general public may include a fee or charge for use, so long as the rates charged are generally applicable and uniformly applied. These rates may vary in certain respects, such as different rates based on volume, so long as the difference in rates is customary and reasonable. Any arrangement that gives the non-exempt person special priority rights or preferential benefits is not use on the same basis as the general public.

Section 3. **Specific Private Business Use Exceptions Relating to the NCPA Projects.** NCPA and the Participants will enter into a variety of arrangements with non-exempt persons, including wholesale customers of NCPA, wholesale and retail customers of the Participants, and non-governmental utilities and other providers and purchasers of electric generation, transmission, and

distribution service. Each of these arrangements will be treated as private business use in evaluating compliance with the limits described in Section 2 of this Facilities Schedule 12, except to the extent that the arrangement either satisfies one of the following exceptions to the limitations on private business use and private security or payments, or NCPA or the Participants obtain an opinion of Bond Counsel to the effect that the arrangement will not adversely affect the Tax Status of the Bonds:

(i) in the case of sales of electric generation or distribution service, the term of such transaction will not exceed three (3) years (including renewal options) and will be negotiated, arm's length arrangements that provide for compensation at fair market value or are based on generally applicable and uniformly applied rates, and the related facility (e.g. a NCPA Project) was not financed with a principal purpose of providing that facility for use by that non-governmental person;

(ii) in the case of sales of electric generation or distribution service, the compensation for such service and any other payments in respect of such use will not exceed NCPA's or the Participant's, as applicable, properly allocable cost of ordinary and necessary expenses that are directly attributable to the operation of the financed property used by the non-governmental person;

(iii) in the case of sales of electric generation or distribution service, the output is sold (a) to a retail customer pursuant to a requirements contract that does not require the customer to make payments unless it actually has requirements, (b) under a contract pursuant to which the average annual payments made under the contract do not exceed the amount permitted under the de minimis rule contained in the applicable regulations, (c) under a contract the terms of which comply with (i) above, or (d) from non-bond financed system resources of the Participant which are physically capable of supplying the output being sold;

(iv) the arrangement will not involve use of the Project (e.g., non-bond financed resources or contracts involving the resale of generation provide by an investor owned utility to NCPA);

(v) the use of the NCPA Projects that would constitute private business use is allocable to (a) Bonds that have been "remediated" within the meaning of Treasury Regulation section 1.141-12 (or repaid in their entirety), or (b) equity, or (c) taxable bonds issued by NCPA, or (d) issues of bonds that have been fully repaid;

(vi) an agreement that provides for the swapping or pooling of output by one or more non-governmental persons to the extent that: (a) the swapped output is reasonably expected to be approximately equal in value

(determined over periods of one year or less), and (b) the purpose of the agreement is to enable each of the parties to satisfy different peak load demands, to accommodate temporary outages, to diversify supply, or to enhance reliability in accordance with prudent reliability standards; and

(vii) the use of the NCPA Project is by an entity that qualifies as an agency or instrumentality of NCPA approved by the Internal Revenue Service or Bond Counsel.

Section 4. **Sale of Renewable Energy Certificates.** In a private letter ruling, the Internal Revenue Service concluded that under certain circumstances the sale of renewable energy certificates ("RECs") does not create any private business use. If a Participant transacts to sell some or all of the RECs resulting from the generation at one or more of the NCPA Projects to non-governmental person with contract terms longer than three (3) years (contracts of three (3) years or less would meet one of the exceptions from private business use described in Section 3 of this Facilities Schedule 12) such transaction must satisfy the following basic requirements to satisfy the Internal Revenue Service:

(i) that the purchase of RECs does not entitle the REC purchaser to any electric energy from the NCPA Project;

(ii) the Participant will retain exclusive control over its entitlement to the NCPA Project, its operations and any decision regarding how or whether to operate the NCPA Project;

(iii) the Participant will not be under any obligation to produce, or cause to be produced, any renewable energy or to operate, or cause the Project to be operated at all or at any particular level; and

(iv) the REC contracts will not give the REC purchaser any direct or indirect voice in how any component of the NCPA Project will be operated or maintained.

Section 5. **Compliance with Private Business Use Limits by Participants.** Private business use limitations set forth in this Facilities Schedule apply in aggregate to all actions by NCPA and the Participants. Accordingly, NCPA will implement internal procedures and requirements necessary to assure compliance with the private business use limits as specified in this Facilities Schedule, including:

(i) contractual obligations of the Participants to comply with private business use limits and other requirements of the Internal Revenue Code, and

(ii) regularly surveying the Participants to determine compliance with the private business use limits and other requirements of the Internal Revenue Code.

Participants are required to comply with private business use limits and other requirements of the Internal Revenue Code pursuant to applicable Project Agreement, and Participants are strongly encouraged to established internal procedures and requirements necessary to assure compliance.

FACILITIES SCHEDULE 13

REPORTS TO PARTICIPANTS

Pursuant to Section 16.1 of this Agreement, NCPA shall prepare and make available to each Participant the following reports monthly:

(i) NCPA Project Operating Reports;

(ii) NCPA Project Financial Operating Statements;

(iii) Status of NCPA Budget as such applies to Project Costs; and

(iv) such additional reports as are required under any applicable Project Agreement, this Agreement, or as requested by the Facilities Committee.

FACILITIES SCHEDULE 14

PARTICIPANT NOTICE REQUIREMENTS

Pursuant to Section 7.1 of this Agreement a Participant that desires to enter into a transfer, sale, assignment or exchange of all or a portion of its Project Participation Percentage share of a NCPA Project or its Project Participation Percentage share of specific NCPA Project attributes shall provide notice of such transfer, sale, assignment or exchange to the General Manager in accordance with this Facilities Schedule 14.

Section 1. Participant Notice.

1.1 Project Participation Percentage Share. Prior to a Participant entering into a transfer, sale, assignment or exchange of all or any portion of its Project Participation Percentage share of a NCPA Project, for a specific time interval, or permanently, a Participant shall provide thirty (30) Calendar Days prior written notice to the General Manager.

1.2 NCPA Project Attributes. Prior to a Participant entering into a transfer, sale, assignment or exchange of its Project Participation Percentage share of a specific NCPA Project attribute, including, but not limited to, capacity, energy and/or other related attributes, for a specific time interval, but retain its full Project Participation Percentage share of a NCPA Project throughout the

term of such transfer, sale assignment or exchange, a Participant shall provide thirty (30) Calendar Days prior written notice to the General Manager.

Section 2. **Evaluation and Report of Impacts.** Upon receipt of a Participant's notice submitted to the General Manager pursuant to Section 1 of this Facilities Schedule 14, the General Manager shall evaluate what impacts, if any, the transfer, sale, assignment or exchange may have on NCPA's internal and external systems utilized to manage the respective NCPA Project, on NCPA's governance, and other Project Participants' interest in the respective NCPA Project. Within thirty (30) Calendar Days after the date on which written notice is received by NCPA, or a period of time greater than thirty (30) Business Days if deemed necessary by the General Manager, in his/her sole discretion, that is reasonably required to identify and evaluate impacts and interests, the General Manager will develop and deliver to the Participants in the affected NCPA Project a written report identifying such impacts and interests.

In such report the General Manager shall identify what reasonable conditions, if any, are necessary to implement such transfer, sale, assignment or exchange in a cost effective and timely manner and mitigate the impacts of the transfer, sale, assignment or exchange on NCPA and other Project Participants. The General Manager shall coordinate with the Participants in the affected NCPA Project prior to the final execution of the desired transfer, sale, assignment

or exchange, so as to mitigate any identified impacts as necessary (e.g., programming modifications, impacts to NCPA Project operations).

AMENDED AND RESTATED
SCHEDULING COORDINATION PROGRAM AGREEMENT

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This AMENDED AND RESTATED SCHEDULING COORDINATION PROGRAM AGREEMENT ("this Agreement") is dated as of _____, 20__ by and among the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), and the signatories to this Agreement other than NCPA ("Participants"). NCPA and the Participants are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. NCPA has heretofore been duly established as a public agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

B. Each of the Participants is a signatory to the Joint Powers Agreement which created NCPA and therefore is a Member.

C. The Participants desire NCPA to act as their Scheduling Coordinator or Scheduling Agent to schedule and settle loads, resources, including, but not limited to, NCPA Projects, and other products in the CAISO energy and ancillary services markets, or other markets as applicable, in accordance with the MSSA Agreement, the Service Agreements, the Settlement

Agreement, the Project Agreements, the CAISO Tariff, and other rules and requirements, as such may be applicable.

D. The Participants desire NCPA to establish facilities, staff and the capability to enable NCPA to provide Scheduling Coordination Services to the Participants.

E. NCPA has established facilities, staff and the capability for the provision of Scheduling Coordination Services to the Participants.

F. The Participants desire NCPA to provide Scheduling Coordination Services to make NCPA Project and other resource capacity and energy available as contemplated in each respective Project Agreement, Service Agreements or other applicable agreement.

G. Each Participant agrees to pay its allocated share of costs for Scheduling Coordination Services pursuant to this Agreement and the Power Management and Administrative Services Agreement.

H. The Participants desire to equitably allocate CAISO charges and credits accruing to NCPA as Scheduling Coordinator or Scheduling Agent among the Participants.

I. The Participants further desire, insofar as possible, to insulate other Members, whether or not such Members are also Participants, from risks

inherent in the services and activities undertaken on behalf of any given Participant or group of Participants.

J. This Agreement amends, restates and replaces the certain Scheduling Coordination Program Agreement dated as of August 28, 2002 (as amended, "the prior scheduling coordination program agreement"), and the prior scheduling coordination program agreement is hereafter of no further force or effect.

NOW THEREFORE, the Parties agree as follows:

Section 1. Definitions.

1.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings, provided, capitalized terms used in this Agreement (including the Recitals hereto) that are not defined in Section 1 of this Agreement shall have the meaning indicated in Section 1 of the Power Management and Administrative Services Agreement:

1.1.1 "Administrative Services Costs" means that portion of the NCPA administrative, general and occupancy costs and expenses, including those costs and expenses associated with the operations, direction and supervision of the general affairs and activities of NCPA, general management, treasury operations, accounting, budgeting, payroll, human

resources, information technology, facilities management, salaries and wages (including retirement benefits) of employees, facility operation and maintenance costs, taxes and payments in lieu of taxes (if any), insurance premiums, fees for legal, engineering, financial and other services, power management services, general settlement and billing services and general risk management costs, that are charged directly or apportioned to the provision of Scheduling Coordination Services. Administrative Services Costs as separately defined herein and used in the context of this Agreement is different and distinct from the term Administrative Services Costs as defined in Section 1 of the Power Management and Administrative Services Agreement.

1.1.2 "Agreement" means this Amended and Restated Scheduling Coordination Program Agreement, including all Appendices, attached hereto.

1.1.3 "Balancing Account" means an account established at NCPA pursuant to this Agreement. The Balancing Account is established to: (1) make timely payments to the CAISO under the MSSA Agreement and CAISO Tariff, and protect NCPA from potential Participant default by providing funds and time to cure, (2) provide working capital for NCPA's provision of Scheduling Coordination Services and to bridge timing

differences between the receipt of payments from Participants and the date payments are due to the CAISO, (3) satisfy CAISO security deposit requirements, and (4) provide security against Participant default.

1.1.4 "Defaulting Participant" has the meaning set forth in Section 8.2 of this Agreement.

1.1.5 "Event of Default" has the meaning set forth in Section 8.2 of this Agreement.

1.1.6 "Participant" has the meaning set forth in the preamble hereto. Participants to this Agreement are listed in Appendix A.

1.1.7 "Party" or "Parties" has the meaning set forth in the preamble hereto; provided that "Third Parties" are entities that are not Party to this Agreement.

1.1.8 "Power Management and Administrative Services Agreement" means the NCPA Power Management and Administrative Services Agreement, dated as of _____, 20__ between NCPA and the Members who are signatories to that agreement by which NCPA provides Power Management and Administrative Services.

1.1.9 "Settlement Agreement" means the Settlement Agreement among Pacific Gas and Electric Company, Northern California Power Agency, the City of Santa Clara, California, the City of Roseville,

California and the California Independent System Operator Corporation in FERC Dockets ER01-2998-000, ER02-358-000, and EL02-64-000, as accepted by FERC.

1.1.10 "Third Party" means an entity (including a Member) that is not a Party to this Agreement.

1.1.11 "Withdrawing Participant" has the meaning set forth in Section 14.2 of this Agreement.

1.1.12 "Withdrawn Asset" has the meaning set forth in Section 14.5.2 of this Agreement.

1.2 Rules of Interpretation. All words and references as used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise, shall be interpreted pursuant to Section 1.2 of the Power Management and Administrative Services Agreement.

Section 2. **Purpose.** The purpose of this Agreement is to set forth the terms and conditions under which NCPA will supply Scheduling Coordination Services to the Participants.

Section 3. **NCPA Duties.** NCPA shall perform as the Scheduling Coordinator or Scheduling Agent for the Participants in accordance with the MSSA Agreement, the Service Agreements, the Settlement Agreement, the Project

Agreements, the CAISO Tariff, and other rules and requirement, as applicable. Such duties shall include, but are not limited to:

3.1 Submission of schedules and bids for Participants' loads, resources, including, but not limited to, NCPA Projects, other generation resources, imports and exports, trades, ancillary services and/or other CAISO products in the CAISO energy and ancillary services markets, or other markets, as applicable. All schedules and bids will be made and submitted to the CAISO in accordance with Appendix C and the CAISO Tariff, or other balancing authority areas in accordance with the applicable rules and requirements. Energy and capacity schedules and bids made on behalf of a Participant may be supplied from NCPA Projects, Participant owned and operated generation facilities, generation facilities in which a Participant has a contractual entitlement to energy and/or capacity, and/or other contractual arrangements for the supply of energy and capacity. All NCPA Projects, Participant owned and operated generation facilities, and generation facilities in which a Participant has a contractual entitlement to energy and/or capacity, for which NCPA supplies Scheduling Coordination Services on behalf of, are listed in Appendix E.

3.2 Obtain and maintain settlement quality meter data in accordance with the MSSA Agreement and CAISO Tariff, to be used for multiple purposes, including, but not limited to settlement validation and cost allocation.

3.3 Perform outage coordination for planned and unplanned outages in accordance with applicable rules and requirements, including, but not limited to, the CAISO Tariff.

3.4 Review, validate, and reconcile CAISO settlement charges and credits for services, file timely disputes and pursue dispute resolution.

3.5 Allocate CAISO settlement charges and credits among Participants for services in accordance with Appendix B, or as otherwise determined by the Commission for CAISO settlement charges and credits not addressed in Appendix B, make timely collection from the Participants of costs charged to NCPA by the CAISO, and make timely payments to the CAISO of such charges in accordance with the MSSA Agreement and the CAISO Tariff. All charges and credits will be invoiced to the Participants through the All Resources Bill, or an alternative invoice.

3.6 From time to time, recommend to the Commission amendments or modifications to the Appendices of this Agreement, as may be required, to ensure the Appendices of this Agreement conform and remain current with market rules, business practices, CAISO requirements, and other accounting or operating procedures.

3.7 Allocate costs associated with the provision of Scheduling Coordination Services, including, but not limited to, Administrative Services

Costs, to the Participants in accordance with this Agreement and the Power Management and Administrative Services Agreement.

Section 4. **Participant Duties.** The duties of the Participants under this Agreement are to:

4.1 Provide Participant load, resource, trade, ancillary services, and/or other CAISO product schedules and bids to NCPA, as applicable, in accordance with Appendix C, where the Participant shall act as an Operating Entity or NCPA shall act as an Operating Entity on behalf of a Participant or group of Participants, subject to separate agreement, upon which NCPA using such information will submit schedules and bids to the CAISO as Scheduling Coordinator or Scheduling Agent for the Participants.

4.2 Make timely payments to NCPA for all CAISO charges and credits for services invoiced by NCPA to the Participant in accordance with Section 6 of this Agreement.

4.3 Provide staff and other assistance as may be required from time to time to the extent necessary for NCPA to fulfill its duties as described in Section 3 of this Agreement.

4.4 Comply with all requirements of the MSSA Agreement and CAISO Tariff, as applicable, in respect to the operation and maintenance of its Electric System and other facilities covered under this Agreement.

4.5 Provide security or other deposits required by the CAISO to NCPA in accordance with Section 9 of this Agreement.

4.6 Initially fund and maintain sufficient deposits in its Balancing Account in accordance with Section 10 of this Agreement.

4.7 Provide NCPA access to settlement quality meter data from loads and resources scheduled and bid by NCPA for a Participant under this Agreement, and to maintain such meters and metering equipment in accordance with the standards and requirements set forth in the MSSA Agreement, CAISO Tariff and Appendix F of this Agreement, unless otherwise agreed to between NCPA and the Participant.

4.8 Make timely payment of all costs associated with NCPA's provision of Scheduling Coordination Services, including, but not limited to, Administrative Services Costs, allocated among the Participants in accordance with this Agreement and the Power Management and Administrative Services Agreement.

4.9 Indemnify NCPA in regard to Scheduling Coordination Services provided to a Participant by NCPA.

Section 5. **Allocation of CAISO Charges and Credits.** All CAISO charges and credits for services invoiced by the CAISO to NCPA will be allocated among the Participants in accordance with Appendix B, or as otherwise determined by

the Commission. Appendix B includes a detailed description of the methodologies used by NCPA to allocate CAISO charges and credits invoiced by CAISO to NCPA, as such CAISO charges and credits are assessed through use of CAISO charge codes, and is meant to reflect allocation methodologies consistent with the CAISO Tariff and NCPA Service Agreements. Appendix B may be amended from time to time in accordance with Section 17.6 of this Agreement to add, modify and/or remove CAISO charge codes, as required, to ensure Appendix B remains consistent with current market rules and business practices.

5.1 Allocation of CAISO Charges and Credits for Non NCPA Projects. Appendix E herein contains a list of all generation resources, demand response resources and other resources for which NCPA provides Scheduling Coordination Services on behalf of the Participants. The resources listed in Appendix E may include NCPA Projects, member owned and operated resources, and resources in which a Participant has a contractual entitlement to the energy and/or capacity of such facilities. Unlike NCPA Projects, where NCPA's and Participants' obligations are defined in a Project Agreement and/or the Amended and Restated Facilities Agreement, NCPA may have a limited or no contractual relationship, other than the obligations set forth in this Agreement, with a Participant or a Third Party to specify obligations of the Parties with respect to scheduling, operation and settlement of non NCPA

Project resources. Therefore, a Participant who receives Scheduling Coordination Services from NCPA for a non NCPA Project resource hereby agrees to indemnify NCPA from and against, and be fully liable for, its entitlement share of all costs associated with scheduling, operation and settlement of such non NCPA Project resource, including, but not limited to, CAISO charges and credits invoiced to NCPA attributed to the non NCPA Project resource, and to pay all costs for NCPA's provision of Scheduling Coordination Services to the non NCPA Project resource on behalf of the Participant, that arise during the term of this Agreement and subsequent to the term of this Agreement. CAISO charges and credits, and all other costs associated with the provision of Scheduling Coordination Services to a non NCPA Project resource shall be allocated to the Participants in accordance with Appendix B, or as otherwise determined by the Commission.

Section 6. Billing and Payments.

6.1 Invoices. NCPA will issue an invoice to each Participant for its share of estimated and actual CAISO charges and credits, costs associated with NCPA's provision of Scheduling Coordination Services, including Administrative Services Costs, and all other costs for services provided in accordance with this Agreement. Such invoice may be either the All Resources Bill or separate special invoice, as determined by NCPA. Such invoices will be

made pursuant to the requirements and procedures provided for in this Agreement and all other applicable agreements. At NCPA's discretion, invoices may be issued to Participants using electronic media or physical distribution.

6.2 Payment of Invoices. All non-emergency invoices delivered by NCPA (including the All Resources Bill) are due and payable thirty (30) Calendar Days after the date thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the following Business Day. NCPA may apply a Participant's share of the Balancing Account to the payment of all or any portion of an invoice to such Participant (including that portion of an invoice relating to Scheduling Coordination Services), provided that application of such funds from the Balancing Account shall not relieve the Participant from any late payment charges pursuant to Section 6.3. To the extent that NCPA applies funds from the Balancing Account to pay an amount due under an invoice, following receipt of payment of such invoice by the relevant Participant, NCPA shall deposit the relevant portion of the payment into the Balancing Account and credit such deposit to such Participant. Emergency invoices delivered by NCPA shall be due and payable on the date indicated on such invoice, or as indicated in Section 10.4.

6.3 Late Payments. Any amount due and not paid by a Participant in accordance with Sections 6.2, Section 9 and Section 10 shall be considered late

and bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or reference rate) of the Bank of America NT&SA then in effect, plus two percent (2%) or (ii) the maximum rate permitted by law.

6.4 Billing Disputes. A Participant may dispute the accuracy of any invoice issued by NCPA under this Agreement by submitting a written dispute to NCPA, within thirty (30) Calendar Days of the date of such invoice; nonetheless the Participant shall pay the full amount billed when due. If a Participant does not timely question or dispute the accuracy of any invoice in writing the invoice shall be deemed to be correct. Upon review of a submitted dispute, if an invoice is determined by NCPA to be incorrect, NCPA shall issue a corrected invoice and refund any amounts that may be due to the Participant. If NCPA and the Participant fail to agree on the accuracy of an invoice within thirty (30) Calendar Days after the Participant has disputed it, the General Manager shall promptly submit the dispute to the Commission for resolution. If the Commission and the Participant fail to agree on the accuracy of a disputed invoice within sixty (60) Calendar Days of its submission to the Commission, the dispute may then be resolved under the mediation and arbitration procedures set forth in Section 16 of this Agreement. Provided, however, that prior to resorting to either mediation or arbitration proceedings, the full amount of the disputed invoice must have been paid.

6.5 Billing/Settlement Data and Examination of Books and Records.

6.5.1 Billing/Settlement Data. NCPA shall make billing and settlement data available to the Participants in the All Resources Bill, or other invoice, or upon request. NCPA may also, at its sole discretion, make billing and settlement support information available to Participants using electronic media (e.g. electronic data portal). Procedures and formats for the provision of such electronic data submission may be as established by the NCPA Commission from time to time. Without limiting the generality of the foregoing, NCPA may, in its reasonable discretion, require the Participants to execute a non-disclosure agreement prior to providing access to the NCPA electronic data portal.

6.5.2 Examination of Books and Records. Any Participant to this Agreement shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement at any reasonable, mutually agreed upon time.

Section 7. Cooperation and Further Assurances. Each of the Parties agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by any other Party which are consistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided

for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement. The Parties agree to cooperate and act in good faith in connection with obtaining any credit support required in order to satisfy the requirements of this Agreement.

Section 8. Participant Covenants and Defaults.

8.1 Each Participant covenants and agrees: (i) to make payments to NCPA, from its Electric System Revenues, of its obligations under this Agreement as an operating expense of its Electric System; (ii) to fix the rates and charges for services provided by its Electric System, so that it will at all times have sufficient Revenues to meet the obligations of this Agreement, including the payment obligations; (iii) to make all such payments due NCPA under this Agreement whether or not there is an interruption in, interference with, or reduction or suspension of services provided under this Agreement, such payments not being subject to any reduction, whether by offset or otherwise, and regardless of whether any dispute exists; and (iv) to operate its Electric System, and the business in connection therewith, in accordance with Good Utility Practice.

8.2 Events of Default. An Event of Default under this Agreement shall exist upon the occurrence of any one or more of the following by a Participant (the "Defaulting Participant"):

(i) the failure of any Participant to make any payment in full to NCPA when due, where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure;

(ii) the failure of a Participant to perform any covenant or obligation of this Agreement where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure. Provided, that this subsection shall not apply to any failure to make payments specified by subsection 8.2 (i));

(iii) if any representation or warranty of a Participant material to the services provided hereunder shall prove to have been incorrect in any material respect when made and the Participant does not cure the facts underlying such incorrect representation or warranty so that the representation or warranty becomes true and correct within thirty (30) Calendar Days of the date of receipt of notice from NCPA demanding cure; or

(iv) if a Participant is in default or in breach of any of its covenants under any other agreement with NCPA and such default or breach is not cured within the time periods specified in such agreement.

8.3 Uncontrollable Forces. A Party shall not be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of Uncontrollable Forces. Provided, that in order to be

relieved of an Event of Default due to Uncontrollable Forces, a Party affected by an Uncontrollable Force shall:

(i) first provide oral notice to the General Manager using telephone communication within two (2) Business Days of the onset of the Uncontrollable Force, and subsequently provide written notice to the General Manager and all other Parties within ten (10) Business Days of the onset of the Uncontrollable Force, describing its nature and extent, the obligations which the Party is unable to fulfill, the anticipated duration of the Uncontrollable Force, and the actions which the Party will undertake so as to remove such disability and be able to fulfill its obligations hereunder; and

(ii) use due diligence to place itself in a position to fulfill its obligations hereunder and if unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such disability with reasonable dispatch. Provided, that nothing in this subsection shall require a Party to settle or compromise a labor dispute.

8.4 Cure of an Event of Default. An Event of Default shall be deemed cured only if such default shall be remedied or cured within the time periods specified in Section 8.2 above, as may be applicable, provided, however, upon request of the Defaulting Participant the Commission may waive the default at its sole discretion, where such waiver shall not be unreasonably withheld.

8.5 Remedies in the Event of Uncured Default. Upon the occurrence of an Event of Default which is not cured within the time limits specified in Section 8.2, without limiting other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action NCPA may have against the Defaulting Participant, NCPA may take any or all of the following actions:

(i) suspend the provision of services under this Agreement to such Defaulting Participant;

(ii) demand that the Defaulting Participant provide further assurances to guarantee the correction of the default, including the collection of a surcharge or increase in electric rates, or such other actions as may be necessary to produce necessary Revenues to correct the default;

(iii) terminate this Agreement as to the Defaulting Participant, on ten (10) Calendar Days prior written notice to the Defaulting Participant; or

(iv) enforce all other rights or remedies available to it under any other agreement in which the Defaulting Participant is a signatory.

8.6 Special Covenants Regarding Balancing Account. In the event that a Participant's balance of the Balancing Account is insufficient to cover all invoices for costs incurred under this Agreement delivered to such Participant, then, without limiting NCPA's other rights or remedies available under this

Agreement, at law or in equity, such Participant shall cooperate in good faith with NCPA and shall cure the default as rapidly as possible, on an emergency basis, taking all such action as is necessary, including, but not limited to, raising rates and charges to its customers to increase its Revenues to replenish its share of the Balancing Account as provided herein, drawing on its cash-on-hand and lines of credit, obtaining further assurances by way of credit support and letters of credit, and taking all such other action as will cure the default with all due haste.

8.7 Effect of Termination or Suspension.

8.7.1 Generally. The termination or suspension of this Agreement will not terminate, waive, or otherwise discharge any ongoing or undischarged liabilities, credits or obligations arising from this Agreement until such liabilities, credits or obligations are satisfied in full.

8.7.2 Suspension. If performance of all or any portion of this Agreement is suspended by NCPA with respect to a Participant in accordance with subsection 8.5 (i), such Participant shall pay any and all costs incurred by NCPA as a result of such suspension including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, or other reasonable and necessary costs associated with such suspension and any portion of the costs associated with NCPA's provision of Scheduling

Coordination Services, including Administrative Services Costs, that were not recovered from such Participant as a result of such suspension.

8.7.3 Termination. If this Agreement is terminated by NCPA with respect to a Participant in accordance with Section 8.5 (iii), such Participant shall pay any and all costs incurred by NCPA as a result of such termination, including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, other reasonable and necessary costs associated with such termination and any portion of costs associated with NCPA's provision of Scheduling Coordination Services that were not, or will not be, recovered from such Participant as a result of such termination; provided, however, if NCPA terminates this Agreement with respect to the last remaining Participant, then this Agreement shall terminate.

Section 9. CAISO Security Deposit and Credit Requirements. Any credit requirements, including, but not limited to, security, collateral, unsecured credit, or other deposits required by the CAISO, shall be provided by each Participant prior to NCPA providing services under this Agreement, and shall be maintained as may be required thereafter, pursuant to Appendix H. Failure to maintain sufficient credit, security, collateral, unsecured credit, or other deposits may impact NCPA's ability to perform services under this agreement. NCPA shall maintain a detailed accounting of the share of each Participant's credit,

security, collateral, unsecured credit or other deposits. Any changes in credit, security, unsecured credit or other deposits required by CAISO may be provided by NCPA from the Balancing Account, and NCPA shall invoice Participants within two (2) Business Days for their share of such required amounts, and will use the funds collected from the Participants to fund the Balancing Account. The obligation to provide credit, security, collateral, unsecured credit or other deposits as required by the CAISO shall be allocated to the Participants on the same basis as the applicable CAISO charge codes which the required amounts are based upon, as specified in Appendix B or the CAISO Tariff.

Section 10. **Balancing Account.** Any deposits into a Balancing Account pursuant to this Agreement shall be separate from and in addition to any security accounts maintained pursuant to any other agreements between NCPA and the Participant, or any other such security account required of Members.

10.1 Initial Amounts. Prior to NCPA providing Scheduling Coordination Services, a Participant shall deposit into the Balancing Account held by NCPA an amount equal to the highest three (3) months of estimated CAISO invoices for the succeeding twelve (12) months; provided, however, that such deposit may be satisfied in whole or in part either in cash or through a clean, irrevocable letter of credit satisfactory to the General Manager. NCPA

shall maintain a detailed accounting of the share of each Participant's deposit in the Balancing Account.

10.2 Subsequent Deposits. Periodically, and at least quarterly, NCPA shall review and revise its estimate of all costs Participants shall be obligated to pay under this Agreement. Following such review, NCPA shall determine whether each Participant has a sufficient balance in the Balancing Account. To the extent that any Participant's balance in the Balancing Account is greater than one hundred and ten percent (110%) of the amount required herein, NCPA shall credit such amount as soon as practicable to the Participant's next All Resources Bill, or to the Participant's general operating reserve account held at NCPA at the request of the Participant. To the extent that any Participant's balance in the Balancing Account is less than ninety percent (90%) of the amount required herein, NCPA shall add such amount as soon as practicable to such Participant's next All Resources Bill, or as necessary, to a special invoice to the Participant. Credits or additions shall not be made to Participants who satisfy these Balancing Account requirements in whole through the use of a letter of credit, provided that the amount of the letter of credit shall be adjusted by the Participant as necessary in a like manner to assure an amount equal to the highest three (3) months of CAISO invoices is available to NCPA.

10.3 Use of Balancing Account Funds.

10.3.1 NCPA may use any and all funds deposited into the Balancing Account (or utilize a letter of credit provided in lieu thereof) to pay any costs it incurs hereunder, without regard to any individual Participant's balance in the Balancing Account and irrespective of whether NCPA has issued an All Resources Bill or invoice for such costs to the Participants or whether a Participant has made timely payments of All Resources Bills or invoices. Should Participant have satisfied its Balancing Account requirements in whole or part through a letter of credit, NCPA may draw on such letter of credit to satisfy obligations hereunder.

10.3.2 If funds deposited into the Balancing Account, or provided through a letter of credit, are used by NCPA to pay any costs it incurs hereunder, NCPA, pursuant to Section 10.5, will maintain a detailed accounting of each Participant's shares of funds withdrawn from the Balancing Account or letter of credit, and upon the collection of all or a part of such withdrawn funds, NCPA will credit back to each Participant the funds collected in proportion to such non-defaulting Participant's share of funds withdrawn from the Balancing Account or letter of credit.

10.4 Emergency Additions. In the event that the funds are withdrawn pursuant to Section 10.3 of this Agreement, or if the Balancing Account is insufficient to allow payment of a CAISO invoice, NCPA shall notify all

Participants and then prepare and send a special or emergency assessment to the Participants. Each Participant shall pay to NCPA such assessment when and if assessed by NCPA within two (2) Business Days of the invoice date of the assessment or consent to and direct NCPA to draw on any existing letter of credit Participant has established for such purposes.

10.5 Accounting and Interest. NCPA shall maintain a detailed accounting of each Participant's deposits into and shares of withdrawals from the Balancing Account. Monies on deposit in the Balancing Account shall be invested by NCPA in accordance with policies set by the Commission. Interest earned on the Balancing Account shall be proportionately credited to the Participants in accordance with the balances in each Participant's Balancing Account. Any losses in the Balancing Account caused by early termination of investments or otherwise shall be allocated among the Participants in accordance with their proportionate share of the total Balancing Account.

10.6 Return of Funds. On the termination of this Agreement with respect to a Participant or a permitted withdrawal of a Participant in accordance with this Agreement, the affected Participant or Participants may apply to NCPA for the return of their share of Balancing Account funds ninety (90) days after the effective date of such termination or withdrawal. NCPA shall, in its sole discretion, as determined by the General Manager, estimate the then outstanding

liabilities of the Participant or Participants, including any estimated contingent liabilities and shall retain all such funds until all such liabilities have been fully paid or otherwise satisfied in full. After such determination by the General Manager, the balance of the Participant's share of the Balancing Account will be refunded to the Participant within sixty (60) days.

Section 11. NCPA Administrative Costs.

11.1 Cost of Services. All costs associated with NCPA's provision of Scheduling Coordination Services to the Participants, including, but not limited to, Administrative Services Costs, shall be allocated among the Participants in accordance with this Agreement and the Power Management and Administrative Services Agreement.

11.2 Scheduling Coordination Services Costs. Each Participant agrees to and acknowledges its mandatory obligation to pay its allocated share of costs associated with Scheduling Coordination Services, including, but not limited to, Administrative Services Costs, as invoiced in its All Resources Bill.

Section 12. Administration of Agreement.

12.1 General. The Commission has sole overall responsibility and authority for the administration of this Agreement. Any acts, decisions or approvals taken, made or sought by NCPA under this Agreement shall be taken,

made or sought, as applicable, in accordance with the Joint Powers Agreement, the NCPA Commission Bylaws and Section 12.2 of this Agreement.

12.2 Action by Commission.

12.2.1 Forum. Whenever any action anticipated by or related to this Agreement is to be taken by the Participants, such actions shall be taken at a regular or special meeting of the Commission, but shall be participated in only by those Commissioners, or their designated alternates ("Alternate"), who represent Participants.

12.2.2 Quorum. A quorum of the Commission, for purposes of acting upon matters relating to this Agreement, shall consist of those Commissioners, or their Alternate, representing a numerical majority of the Participants.

12.2.3 Voting. Each Participant shall have the right to cast one vote with respect to matters pertaining to this Agreement. Actions of the Commission with regard to this Agreement shall be effective upon a majority vote of the Participants.

12.3 Adoption and Amendment of Annual Budget. Annually, the Commission shall adopt an Annual Budget, which includes, but is not limited to, all costs attributed to services provided under this Agreement, for at least the next succeeding Fiscal Year in accordance with the Joint Powers Agreement and

this Agreement. Provided, however, that the Commission may in its discretion adopt a two-year budget if permitted to do so by the NCPA Commission Bylaws or the Joint Powers Agreement.

12.4 Facilities Committee. The Facilities Committee has been established pursuant to the Amended and Restated Facilities Agreement to act as an advisory committee to the Commission. The Commission may, in coordination with the General Manager, refer matters pertaining to the administration of this Agreement to the Facilities Committee for review and recommendation, including, but not limited to, proposed amendments to this Agreement and to the Appendices. If the Commission or General Manager refers matters pertaining to the administration of this Agreement to the Facilities Committee, NCPA will provide a copy of the public notice of the Facilities Committee meeting at which the matter will be discussed to the Participants. The Facilities Committee may act upon such matters referred to it by the Commission in accordance with the procedures, including the general administration quorum and voting procedures, set forth in the Amended and Restated Facilities Agreement. Any recommendations of the Facilities Committee shall be made to the Commission, Project Participants, and others, as appropriate, in coordination with the General Manager.

Section 13. Term and Termination.

13.1 Effective Date. This Agreement shall become effective on the first day of the month after which it has been duly executed by all Participants, and delivered to and executed by NCPA (the "Effective Date"). NCPA shall notify all Participants in writing of the Effective Date.

13.2 Term and Termination. The Term of this Agreement shall commence on the Effective Date, and shall continue in effect until terminated by consent of all Parties that have not withdrawn or materially defaulted as provided herein.

Section 14. Admission and Withdrawal of Participants.

14.1 Admission of a New Participant. Subsequent to the initial Effective Date, a Member may become a Participant by executing this Agreement. Such Member will become a Participant effective on the date of its delivery to NCPA of an executed counterpart of this Agreement.

14.2 Withdrawal of Participants. Any Participant may withdraw from this Agreement (**"Withdrawing Participant"**) by submitting notice, in writing to all Parties at least two (2) years in advance of the effective date of such withdrawal, provided that such withdrawal shall only be effective on the last day of a Fiscal Year and that the Withdrawing Participant has fully satisfied all obligations it has incurred under this Agreement. The two (2) year duration of the notice requirement may be waived or reduced by the Commission in its sole

discretion. Withdrawal by any Participant shall not terminate this Agreement as to the remaining Participants.

14.3 Associated Costs. A Withdrawing Participant shall reimburse NCPA for any and all costs resulting from the withdrawal, including but not limited to the legal, accounting, and administrative costs of winding up and assuring the complete satisfaction and discharge of the Withdrawing Participant's liabilities, credits or obligations, including any contingent liabilities, credits or obligations.

14.4 No Effect on Prior Liabilities. Withdrawal by any Participant will not terminate any ongoing or un-discharged liabilities, credits or obligations, including any contingent liabilities, credits or obligations, resulting from this Agreement until they are satisfied in full, or such Withdrawing Participant has provided a mechanism acceptable to NCPA, for the satisfaction in full thereof.

A Withdrawing Participant shall not be obligated to compensate the remaining Participants for loss of any benefits that would have accrued to the remaining Participants if the Withdrawing Participant had continued its participation. Nor shall the remaining Participants be obligated to compensate the Withdrawing Participant for any benefits that accrue to the remaining Participants because of the withdrawal. Reallocation of the costs and benefits of continuing under this Agreement after a Participant has withdrawn shall not

give rise to any claim against a Withdrawing Participant by the remaining Parties. Nor shall any of the remaining Parties be obligated to compensate the Withdrawing Participant for any benefits that accrue to the remaining Parties because of such a reallocation of costs and benefits.

14.5 New Additions or Partial Withdrawal.

14.5.1 New Additions. A Participant may request in writing, using the form contained in Appendix G, that NCPA provide Scheduling Coordination Services for new or additional resources, trades or other CAISO products for which NCPA has not previously provided services under this agreement on behalf of the Participant (for example, a new generation resource). Upon receipt of such written request from a Participant, NCPA, at its sole discretion, may agree to provide Scheduling Coordination Services for the new or additional resource, trades or other CAISO products on behalf of the Participant, and the provision of such services will be subject to the terms and conditions of this Agreement, and the Appendices of this Agreement will be amended as required.

14.5.2 Partial Withdrawal. A Participant may request to withdraw certain loads, resources, trades or other CAISO products (**"Withdrawn Assets"**) for which NCPA provides Scheduling Coordination Services under this Agreement, by providing ninety (90) days advanced

written notice to NCPA, so that NCPA will no longer provide Scheduling Coordination Services for the Participant's Withdrawn Assets; provided, however, that Participant shall remain fully liable for its share of any outstanding or future liabilities incurred by NCPA attributed to the Withdrawn Asset, pursuant to Section 14.4 of this Agreement. The ninety (90) days duration of the notice requirement may be waived or reduced by the Commission in its sole discretion.

Section 15. Other Agreements.

15.1 Precedence of Agreement. Where there is any conflict between this Agreement and the Joint Powers Agreement, a Project Agreement or a Project Indenture of Trust, the provisions in the Joint Powers Agreement, Project Agreement or Project Indenture of Trust shall control.

Section 16. Settlement of Disputes and Arbitration. The Parties agree to make best efforts to settle all disputes among themselves connected with this Agreement as a matter of normal business under this Agreement. The procedures set forth in Section 10 of the Power Management and Administrative Services Agreement shall apply to all disputes that cannot be settled by the Participants themselves; provided, that the provisions of Section 6.4 shall first apply to all disputes involving invoices prepared by NCPA.

Section 17. Miscellaneous.

17.1 Confidentiality. The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement, to the extent possible, consistent with applicable laws, including the California Public Records Act. Confidential or trade secret information shall be marked or expressly identified as such.

If a Party ("Receiving Party") receives a request from a Third Party for access to, or inspection, disclosure or copying of, any of the other Party's (the "Supplying Party") confidential data or information ("Disclosure Request"), then the Receiving Party shall provide notice and a copy of the Disclosure Request to the Supplying Party within three (3) Business Days of receipt of the Disclosure Request. Within three (3) Business Days of receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Receiving Party shall deny the Disclosure Request and the Supplying Party shall defend the denial of the Disclosure Request at its sole cost, and it shall indemnify the Receiving Party for all costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the

Receiving Party shall include all of the Receiving Party's costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to costs, penalties, and the Receiving Party's attorney's fees; or

(ii) the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

17.2 Indemnification and Hold Harmless. Subject to the provisions of Section 17.4, each Participant agrees to indemnify, defend and hold harmless NCPA and its Members, including their respective governing boards, officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of litigation, including experts, to the extent caused by any acts, omissions, breach of contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of that Participant, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

17.3 Several Liabilities. No Participant shall be liable under this Agreement for the obligations of any other Participant, and each Participant shall be solely responsible and liable for performance of its obligations under this Agreement, except as otherwise provided for herein, and the obligation of each

Participant under this Agreement is a several obligation and not a joint obligation with those of the other Participants.

17.4 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL NCPA OR ANY PARTICIPANT OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NCPA AND EACH PARTICIPANT EACH HEREBY WAIVES SUCH

CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

17.5 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the Commission. Any such waiver by the Commission in any particular instance shall not be deemed a waiver with respect to any subsequent performance, default or matter.

17.6 Amendments.

17.6.1 Amendments in General. Except where this Agreement specifically provides otherwise, this Agreement may be amended only by

written instrument executed by the Parties with the same formality as this Agreement.

17.6.2 Approval and Amendment to Appendices. Notwithstanding Section 17.6.1, any addition to, amendment to or removal of the Appendices of this Agreement shall take effect after being approved by the Commission in a manner consistent with the voting procedures set forth in Section 12 without the requirement of an approval of the individual Participants' governing bodies.

17.7 Assignment of Agreement.

17.7.1 Binding Upon Successors. This Agreement, including the Appendices attached hereto, shall inure to the benefit of and shall be binding upon the respective successors and assignees of the Parties to this Agreement.

17.7.2 No Assignment. This Agreement, nor any interest herein, shall be transferred or assigned by a Party hereto except with the consent in writing of the other Parties hereto, where such consent shall not be unreasonably withheld. Without limiting the foregoing, this Agreement shall not be assigned by Plumas-Sierra Rural Electric Cooperative without the approval in writing of the Administrator of the Rural Electrification Administration Utilities Service.

17.8 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

17.9 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

17.10 Headings. All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

17.11 Notices. Any notice, demand or request required or authorized by this Agreement to be given to any Party shall be in writing, and shall either be personally delivered to a Participant's Commissioner or Alternate, and to the General Manager, or shall be transmitted to the Participant and the General Manager at the addresses shown on the signature pages hereof. The designation of such addresses may be changed at any time by written notice given to the General Manager who shall thereupon give written notice of such change to each

Participant. All such notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail first class postage prepaid, or on the first Business Day following delivery through electronic communication.

17.12 Warranty of Authority. Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms. Upon execution of this Agreement, each Participant shall deliver to NCPA a resolution of the governing body of such Participant evidencing approval of and authority to enter into this Agreement.

17.13 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

17.14 Venue. In the event that a Party brings any action under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

17.15 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, each Party shall bear its own fees and costs, including attorneys' fees, associated with the action.

17.16 Counsel Representation. Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney's fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 17.2 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

17.17 No Third Party Beneficiaries. Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties,

to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.

IN WITNESS WHEREOF, NCPA and each Participant have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: General Counsel
Date: _____

CITY OF ALAMEDA
2000 Grand Street
P.O. Box H
Alameda, CA 94501

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: City Attorney
Date:_____

CITY OF BIGGS
465 "C" Street
Biggs, CA 95917

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

CITY OF GRIDLEY
685 Kentucky Street
Gridley, CA 95948

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

CITY OF HEALDSBURG
401 Grove Street
Healdsburg, CA 95448

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: City Attorney
Date: _____

CITY OF LODI
221 W. Pine Street
Lodi, CA 95240

By: Stephen Schwabauer
Title: Interim City Manager
Date: _____

Approved as to form:

By: Janice D. Magdich
Its: City Attorney
Date: _____

ATTEST:

Randi Johl-Olson
City Clerk

CITY OF LOMPOC
100 Civic Center Plaza
Lompoc, CA 93436

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: City Attorney
Date: _____

CITY OF OAKLAND, acting
by and through its
Board of Port Commissioners
530 Water Street
Oakland, CA 94607

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: Port General Counsel
Date: _____

CITY OF PALO ALTO
250 Hamilton Avenue
Palo Alto, CA 94301

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

PLUMAS-SIERRA RURAL
ELECTRIC COOPERATIVE
73233 Highway 70
Portola, CA 96122

_____
By:_____
Title: _____
Date: _____

Approved as to form:

_____
By:_____
Its: General Counsel
Date: _____

CITY OF ROSEVILLE
311 Vernon Street
Roseville, CA 95678

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

CITY OF SANTA CLARA
1500 Warburton Avenue
Santa Clara, CA 95050

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: City Attorney
Date:_____

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, 16th Floor
Oakland, CA 94612

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: General Counsel
Date: _____

CITY OF UKIAH
300 Seminary Avenue
Ukiah, CA 95482

_____
By:_____
Title: _____
Date:_____

Approved as to form:

_____
By:_____
Its: City Attorney
Date: _____

APPENDIX A

LIST OF PARTICIPANTS

The following is a list of the Participants who are signatories to this Agreement:

City of Alameda
City of Biggs
City of Gridley
City of Healdsburg
City of Lodi
City of Lompoc
City of Oakland, acting by and through its Board of Port Commissioners
City of Palo Alto
City of Roseville
City of Santa Clara
City of Ukiah
Plumas Sierra Rural Electric Cooperative
San Francisco Bay Area Rapid Transit District

APPENDIX B

CAISO SETTLEMENTS SUMMARY

The CAISO Settlement Summary is separately attached to this Agreement as NCPA Appendix B.

APPENDIX C

POWER SCHEDULE GUIDE

The NCPA Power Schedule Guide is separately attached to this Agreement as Appendix C.

APPENDIX D

SCPA APPENDIX DEFINITIONS GLOSSARY

The SCPA Appendix Definitions Glossary is separately attached to this Agreement as Appendix D.

APPENDIX E

PARTICIPANT RESOURCES

The following is a list of the Participant resources for which NCPA provides Scheduling Coordination Services pursuant to this Agreement.

Resource Name	Resource ID
Alameda GT Unit 1	ALMEGT_1_UNIT 1
Alameda GT Unit 2	ALMEGT_1_UNIT 2
Black Butte Hydro	BLCKBT_2_STONEY
Beardsley Hydro	BEARDS_7_UNIT 1
Collierville Hydro Unit 1 & 2 Aggregate	COLVIL_7_PL1X2
Container Corp. of America	CONTAN_1_UNIT
Ameresco San Joaquin LLC	CORRAL_6_SJOAQN
Santa Clara Co-Gen	CSCCOG_1_UNIT 1
Gianera Peaker Unit 1	CSCGNR_1_UNIT 1
Gianera Peaker Unit 2	CSCGNR_1_UNIT 2
Donnells Hydro	DONNLS_7_UNIT
Donald Von Raesfeld Power Project	DUANE_1_PL1X3
Stoney Gorge Hydro Aggregate	ELKCRK_6_STONYG
Neal Road Landfill Generating Facility	ESQUON_6_LNDFIL
Johnson Canyon Landfill	GONZLS_6_UNIT
Gridley Main Two	GRIDLY_6_SOLAR
Santa Cruz Landfill Generating Plant	GRNVLY_7_SCLAND
Keller Canyon Landfill Gen Facility	KIRKER_7_KELCYN
Lodi Gas Turbine	LODI25_2_PL1X2
Lodi Energy Center	LODIEC_2_PL1X2
NCPA Geo Plant 1 Unit 1	NCPA_7_GP1UN1
NCPA Geo Plant 1 Unit 2	NCPA_7_GP1UN2
NCPA Geo Plant 2 Unit 3	NCPA_7_GP2UN3
NCPA Geo Plant 2 Unit 4	NCPA_7_GP2UN4
High Line Canal	ORLND_6_HIGHLI
Ox Mountain Landfill Generating Plant	OXMTN_6_LNDFIL
Cooperatively Owned Back Up Generator	PALALT_7_COBUG
Bay Environmental (NOVE Power)	RICHMN_7_BAYENV
Spicer Hydro Units 1-3 Aggregate	SPICER_1_UNITS

Lodi STIG Unit	STIGCT_2_LODI
Tulloch Hydro	TULLCK_7_UNITS
Ukiah Lake Mendocino Hydro	UKIAH_7_LAKEMN

APPENDIX F

TECHNICAL METERING STANDARDS

All Participant meters and field equipment associated with NCPA's provision of Scheduling Coordination Services are required to comply with the technical metering standards included in this Appendix F. Meters associated with NCPA's provision of Scheduling Coordination Services are meters that are covered by a NCPA Scheduling Coordinator identification number (e.g. SCID: NCPA).

Section 1. **Metering Standard Specifications and Procedures.** All meters monitored by NCPA's System Control and Data Acquisition system ("SCADA") shall, at a minimum, conform to the following requirements:

1.1 Metering Requirements.

1.1.1 Primary Meter. Each primary meter shall:

(i) be CAISO certified and conform to the current CAISO metering requirements at the time of installation as specified in the CAISO business practice manual for metering;

(ii) support Distributed Network Protocol ("DNP") and CAISO Revenue Metering Data Acquisition and Processing System ("RMDAPS") standards as required by the CAISO; and

(iii) have an Ethernet port.

1.1.2 Secondary Meter. Each secondary meter shall be configured with the same functionality as the primary meter and be wired to provide redundant metering service.

1.1.3 Router. Each router shall:

(i) provide a secure network connection to the NCPA SCADA system at a speed of 56k or faster;

(ii) support Virtual Private Network ("VPN") tunneling; and

(iii) have an available Ethernet port for each meter connection and a dedicated port for the Remote Terminal Unit ("RTU").

1.1.4 Power. Power for metering and communications equipment shall not be provided through the station potential transformer. Backup power for metering equipment shall be supplied through a uninterruptible power supply ("UPS") capable of maintaining the meter, router (and its related networking equipment), and the RTU, if present, for a minimum of 48 hours. Where station service power is not available, the UPS charge shall be maintained by solar power or other local generation, as applicable, with a battery carry through period of not less than five days.

1.2 Physical Security Requirements. The router, Ethernet connection and/or dial-up phone connection is to be physically secured from tampering. If

the equipment is located in a shared facility, the equipment shall be enclosed in a locked cabinet (for example, Hoffman part number CTD364812 or equivalent).

1.3 Logical Security Requirements. Meters that use the CAISO Energy Communication Network ("ECN") for communication need to be configured in accordance with the CAISO Information Security Requirements for the Energy Communication Network. Each meter needs to be protected behind a router with strong access control lists ("ACLs") or firewall protection to help prevent unauthorized access to the meter. The router or firewall used needs to have the ability to send logs back to a central logging server to trigger alerts associated with malicious or unusual network behavior. The router or firewall that protects the meter needs to have the ability to terminate site-to-site VPN tunnels. Data provided from the metering equipment shall be transported to NCPA's SCADA system through VPN tunnels, and CAISO shall access meters through NCPA maintained VPN tunnels. Additional VPN tunnels may be configured back to non-NCPA systems in coordination with NCPA staff.

1.4 Access. Access to meters and associated equipment shall be granted to NCPA staff, or its delegates, to perform maintenance and repairs on meters and communications equipment. NCPA locks will be provided at each

metering location where unescorted access by NCPA staff, or its delegates, is permitted by the Participant.

APPENDIX G

NEW ADDITIONS

Pursuant to Section 14.5.1 of this Agreement a Participant may request in writing that NCPA provide Scheduling Coordination Services for new or additional loads, resources, trades or other CAISO products for which NCPA has not previously provided services under this Agreement. Such requests for new additions must be submitted to NCPA using the standard form attached separately to this Agreement as Appendix G.

APPENDIX H

CAISO SECURITY DEPOSIT AND CREDIT REQUIREMENTS

Pursuant to Section 9 of this Agreement, in order to satisfy CAISO security deposit and credit requirements each Participant shall provide to NCPA security, collateral, unsecured credit, or other deposits in accordance with the procedure identified in this Appendix H.

Section 1. CAISO Security Deposit and Credit Requirements Procedure

1.1 Assignment of Unsecured Credit. Pursuant to the CAISO Tariff, each Participant may use unsecured credit to collateralize its calculated estimated aggregate liability for all transactions made through the CAISO markets except for any calculated liability associated with congestion revenue rights. Pursuant to CAISO Tariff section 12.1.1.1 (5) a local publicly owned electric utility with a governing body having ratemaking authority that has submitted an application for an unsecured credit limit shall be entitled to an unsecured credit limit of $1 million without regard to its net assets; provided, however, a Participant shall be entitled to request an unsecured credit limit based on its net assets as provided in the CAISO Tariff in order to establish an unsecured credit limit greater than $1 million dollars.

Pursuant to authority provided under the CAISO Tariff, each Participant that has a positive estimated aggregate liability, as determined by NCPA, shall assign an amount of its unsecured credit limit to NCPA equal to the lesser of $1 million or its estimated aggregate liability. NCPA shall notify a Participant regarding the need to provide additional unsecured credit limit, or other form of collateral acceptable to NCPA and CAISO, to NCPA if the amount of unsecured credit assigned to NCPA by a Participant is not equal to or greater than its estimated aggregate liability, as calculated by NCPA based on the maximum of the highest forecasted monthly CAISO budget costs or actual allocated monthly CAISO costs. Each Participant shall promptly notify the CAISO and request that an additional amount of its unsecured credit limit or other form of acceptable collateral be assigned to NCPA that is equal to the positive difference between its estimated aggregate liability and the amount of unsecured credit limit currently assigned to NCPA.

SECOND AMENDED AND RESTATED
POOLING AGREEMENT

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This SECOND AMENDED AND RESTATED POOLING AGREEMENT ("this Agreement") is dated as of _____, 20__ by and among the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), and the signatories to this Agreement other than NCPA ("Participants"). NCPA and the Participants are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. NCPA has heretofore been duly established as a public agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

B. Each of the Participants is a signatory to the Joint Powers Agreement which created NCPA and therefore is a Member.

C. Each of the Participants owns a system for the distribution of electric capacity and energy for resale or its own use and is authorized to obtain electric capacity and energy for its present or future requirements, through contracts with NCPA or otherwise.

D. The Participants desire to establish an operating resource pool (hereinafter referred to as the "Pool" or "Pooling") to jointly manage their

collective portfolios of loads and resources to avail themselves of the full benefits of pooling.

E. The Participants desire NCPA to establish facilities, staff and the capability to provide Power Pool Management Services, including, but not limited to, load, resource and price forecasting, resource planning, optimization, energy and capacity procurement and sales, risk analysis and management, pre-scheduling, scheduling and dispatch activities, power pool operations and settlement standards, contract administration and industry restructuring and advocacy activities.

F. NCPA has established facilities, staff and the capability for the provision of Power Pool Management Services to the Participants, including, but not limited to, load, resource and price forecasting, resource planning, optimization, energy and capacity procurement and sales, risk analysis and management, pre-scheduling, scheduling and dispatch activities, power pool operations and settlement standards, contract administration and industry restructuring and advocacy activities.

G. By establishing the Pool it is intended that each Participant will receive operating reliability and economic benefits from participating in the Pool, and that such benefits should be greater than, or at least equal to, the benefits which would have been derived from the use of the Participant's own resources

if the resources had been scheduled and operated for the Participant's maximum benefit for use on its own loads.

H. The Participants intend to observe the provisions of this Agreement in good faith and shall cooperate with all other Parties in order to achieve the full benefits of pooling.

I. Each Participant agrees to pay its allocated share of costs associated with NCPA's provision of Power Pool Management Services in accordance with this Agreement and the Power Management and Administrative Services Agreement.

J. The Participants further desire, insofar as possible, to insulate other Members, whether or not such Members are also Participants, from risks inherent in the services and transactions undertaken on behalf of any given Participant or group of Participants.

K. The Agreement amends, restates and replaces the certain Amended and Restated Pooling Agreement dated as of October 29, 2008 (as amended, "the prior pooling agreement"), and the prior pooling agreement is hereafter of no further force or effect.

NOW, THEREFORE, the Parties agree as follows:

Section 1. <u>Definitions.</u>

1.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings, provided, capitalized terms used in this Agreement (including the Recitals hereto) that are not defined in Section 1 of this Agreement shall have the meaning indicated in Section 1 of the Power Management and Administrative Services Agreement:

1.1.1 "Administrative Services Costs" means that portion of the NCPA administrative, general and occupancy costs and expenses, including those costs and expenses associated with the operations, direction and supervision of the general affairs and activities of NCPA, general management, treasury operations, accounting, budgeting, payroll, human resources, information technology, facilities management, salaries and wages (including retirement benefits) of employees, facility operation and maintenance costs, taxes and payments in lieu of taxes (if any), insurance premiums, fees for legal, engineering, financial and other services, power management services, general settlement and billing and general risk management costs, that are charged directly or apportioned to the provision of Power Pool Management Services. Administrative Services Costs as separately defined herein and used in the context of this Agreement is different and distinct from the term Administrative Services Costs as defined

in Section 1 of the Power Management and Administrative Services Agreement.

1.1.2 "Agreement" means this Second Amended and Restated Pooling Agreement, including all Pooling Schedules.

1.1.3 "Assignment Administration Agreement" or "AAA Agreement" means an agreement between NCPA and certain of its Members; whereby NCPA has agreed to accept assignment of assignor's base resource percentage, and will administer the Assignment Contract for the benefit of assignor in order to create a power resource portfolio for the mutual benefit of the Members, including the Participants.

1.1.4 "Assignment Contract" has the meaning as defined in the AAA Agreement.

1.1.5 "Base Resource Contract" means Contract 04-SNR-00782 between NCPA and Western.

1.1.6 "Congestion Revenue Right" or "CRR" means a CRR Obligation or CRR Option.

1.1.7 "CRR Obligation" means a financial instrument that entitles the holder to a payment when congestion is in the direction of the CRR source to CRR sink specification and imposes on its holder a charge

when congestion is in the opposite direction of the CRR source and CRR sink specification pursuant to the CAISO Tariff.

1.1.8 "CRR Option" means a financial instrument that entitles its holder to a payment when congestion is in the direction of the CRR source to CRR sink specification.

1.1.9 "Defaulting Participant" has the meaning set forth in Section 11.2 of this Agreement.

1.1.10 "Event of Default" has the meaning set forth in Section 11.2 of this Agreement.

1.1.11 "NCPA Capacity Pool" is a voluntary program in which Participants pool and transact capacity in addition to the pooling of other resources pursuant to this Agreement.

1.1.12 "Participant" has the meaning set forth in the recitals of this Agreement. Participants to this Agreement are listed in Pooling Schedule 1.

1.1.13 "Party" or "Parties" has the meaning set forth in the recitals hereto; provided that "Third Parties" are entities that are not party to this Agreement.

1.1.14 "Pool" or "Pooling" means the operating resource pool established under this Agreement to jointly manage the Participants' collective portfolios of loads and resources.

1.1.15 "Pool Forecast" means the Participant load forecast of combined Pool energy and Pool peak demand developed in accordance with Section 5.1.2 of this Agreement.

1.1.16 "Pool Load Resource Balance" means the optimizing and managing of assets, including gas/fuel and electric power transactions, procurement of transmission, ancillary services and coordinating energy delivery scheduling to meet the physical and financial needs of a Participant or group of Participants for electric power.

1.1.17 "Pooling Schedules" are the principles and/or procedures adopted by the Commission, which are appended to and made part of this Agreement, and are subject to change or amendment from time to time pursuant to Section 17.7.2.

1.1.18 "Power Pool Management Services" means the services NCPA supplies to the Participants pursuant to this Agreement, including, but not limited to, load, resource and price forecasting, resource planning, optimization, energy and capacity procurement and sales, risk analysis and management, pre-scheduling, scheduling and dispatch activities, power pool

operations and settlement standards, contract administration and industry restructuring and advocacy activities.

1.1.19 "Power Pool Management Services Costs" means costs associated with NCPA's provision of Power Pool Management Services pursuant to this Agreement, including, but not limited to, Administrative Services Costs, determined by the Commission as part of the Annual Budget.

1.1.20 "Power Management and Administrative Services Agreement" means the NCPA Power Management and Administrative Services Agreement, dated as of _____, 20__ between NCPA and the Members who are signatories to that agreement by which NCPA provides power management and administrative services.

1.1.21 "Third Party" means an entity (including a Member) that is not a Party to this Agreement.

1.1.22 "Western" means the Western Area Power Administration, or its successor.

1.1.23 "Withdrawing Participant" has the meaning set forth in Section 15.2 of this Agreement.

1.2 Rules of Interpretation. All words and references as used in this Agreement (including the Recitals hereto), unless in any such case the context

requires otherwise, shall be interpreted pursuant to Section 1.2 of the Power Management and Administrative Services Agreement.

Section 2. **Purpose.** The purpose of this Agreement is to set forth the terms and conditions under which NCPA may provide Power Pool Management Services to the Participants.

Section 3. **Duties of the Commission.**

3.1 Commission. The Commission is responsible for the administration of this Agreement. Each Member shall be represented by its Commissioner or their designated alternate Commissioner ("Alternate") pursuant to the Joint Powers Agreement. Each Commissioner shall have authority to act for the Participant represented with respect to matters pertaining to this Agreement.

3.2 Duties and Authorities. In addition to the administration of this Agreement, the duties and authorities of the Commission are as specified in the Joint Powers Agreement and the NCPA Commission Bylaws.

3.3 Forum. Whenever any action anticipated by this Agreement is required to be jointly taken by the Participants, such action shall be taken at regular or special meetings of the NCPA Commission.

3.4 Quorum. For purposes of acting upon matters that relate to the administration of this Agreement, a quorum of the Commission shall consist of

those Commissioners, or their designated Alternates, representing a numerical majority of the Participants.

3.5 Voting.

3.5.1 General Administration. For acting upon matters that relate to the general administration of this Agreement, each Participant shall have the right to cast one (1) vote. Actions of the Commission shall be effective only upon a majority vote of the Participants.

3.5.2 Power Pool Management Services Cost Allocation Methodology. For acting upon matters that relate to the methodology for allocating costs associated with Power Pool Management Services, as set forth in Pooling Schedule 2, the following voting procedure shall be used. Actions of the Commission shall be effective only upon both of the following conditions being satisfied:

(i) each Participant shall have the right to cast one (1) vote, and actions of the Commission shall be effective only upon an affirmative vote of eighty percent (80%) or more of the Participants; and

(ii) each Participant shall have the right to cast one (1) vote and each Participant's vote shall be weighted based on its percentage share of Power Pool Management Services Costs, including the portion of Administrative Services Costs allocated to Power Pool Management Services, as such costs are

set forth in the prior Fiscal Year budget. Actions of the Commission shall be effective only upon an affirmative vote of sixty five percent (65%) or more of the Participants; provided, however, if the voting right of any Participant exceeds thirty five percent (35%) that Participant's voting right shall be limited to thirty five percent (35%) and the Participant's voting right percentage in excess of thirty five percent (35%) shall be proportionally reassigned to the Participants whose voting right percentage is less than thirty five percent (35%).

3.6 Adoption and Amendment of Annual Budget. Annually, the Commission shall adopt an Annual Budget, which includes, but is not limited to, all costs attributed to Power Pool Management Services, for at least the next succeeding Fiscal Year in accordance with the NCPA Joint Powers Agreement and this Agreement. Provided, however, that the Commission may in its discretion adopt a two-year budget if permitted to do so by the NCPA Commission Bylaws or the Joint Powers Agreement.

3.7 Facilities Committee. The Facilities Committee has been established pursuant to the Amended and Restated Facilities Agreement to act as an advisory committee to the Commission. The Commission or General Manager may refer matters pertaining to the administration of this Agreement to the Facilities Committee for review and recommendation, including, but not limited to, proposed amendments to this Agreement and to the Pooling

Schedules. If the Commission or General Manager refers matters pertaining to the administration of this Agreement to the Facilities Committee, NCPA will provide a copy of the public notice of the Facilities Committee meeting at which the matter will be discussed to the Participants. The Facilities Committee may act upon such matters referred to it by the Commission in accordance with the procedures, including the general administration quorum and voting procedures, set forth in the Amended and Restated Facilities Agreement. Any recommendation of the Facilities Committee shall be made to the Commission, Project Participants, and others, as appropriate, in coordination with the General Manager.

Section 4. Duties of the General Manager and NCPA Staff.

4.1 Reporting Authority. The General Manager shall report to, and be supervised by, the Commission pursuant to the Joint Powers Agreement.

4.2 NCPA Staff. The General Manager shall hire such staff or consultants as necessary to carry out NCPA's obligations pursuant to this Agreement, within the constraints of the Annual Budget.

4.3 Duties and Authority. The General Manager, or NCPA staff designated by the General Manager, shall:

(a) Carry out directions of the Commission with respect to matters related to this Agreement;

(b) Direct and carry out all responsibilities of NCPA pursuant to this Agreement to supply Power Pool Management Services to the Participants. Examples of said responsibilities include but are not limited to:

(1) Providing Scheduling Coordination Services for the Participants' loads and resources in accordance with the Amended and Restated Scheduling Coordination Program Agreement;

(2) Acting as an Operating Entity on behalf of the Participants;

(3) Providing pre-scheduling, scheduling and central dispatch services to the Participants;

(4) Developing load, resource and price forecasts for the Participants;

(5) Perform short term and long term resource planning and optimization for the Participants;

(6) Management of Pool Load Resource Balance activities;

(7) Performing nomination and bidding activities to acquire and transact Congestion Revenue Rights, and managing Congestion Revenue Rights holdings on behalf of the Participants;

(8) Entering into Balance of Month Transactions and transactions for a term less than balance-of-month for purchasing and selling energy, capacity, transmission capacity, and other related services and products on behalf of the Participants;

(9) Acquire GHG Compliance Instruments on behalf of the Participants to fulfill a GHG emission compliance obligation imposed by the State or federal government incurred by NCPA or a Participant resulting from activities conducted pursuant to this Agreement;

(10) Perform risk analysis and management to mitigate risks associated with Pool activities;

(11) Developing Pool operating principles, practices and procedures and settlement standards associated with Pool activities;

(12) Providing contract administration, industry restructuring and advocacy activities to the Participants;

(13) Developing a billing system and invoice Participants;

(14) Preparing and submitting proposed budgets for costs associated with Power Pool Management Services, including Administrative Services Costs, for the ensuing Fiscal Year to

the Commission and appropriate NCPA committees on such schedule as established by the Commission;

(15) Presenting to the appropriate committees and the Commission proposed amendments to this Agreement and the Pooling Schedules for review and approval.

4.4 Goals and Objectives. Each year, the General Manager shall propose to the Commission, specific goals and objectives for the NCPA staff as such relate to this Agreement. NCPA shall provide periodic reports to the Commission regarding progress toward meeting the approved goals and objectives.

4.5 Consultation with Participants. The General Manager shall consult with the Participants from time to time, as needed, to advise him or her on a particular matter relevant to this Agreement.

Section 5. Resource Planning, Load Forecasting and Energy/Capacity Requirements.

5.1 Resource Planning. NCPA, in coordination with the Participants, shall develop load and resource balance information at least quarterly for the Pool and for each Participant, using load and resource forecasts developed pursuant to this Agreement. The load and resource balance information developed shall be utilized by NCPA and the Participants to coordinate and

manage Pooling activities, including, but not limited to, supply investments and transaction activities, to maintain reliability of service and strive to obtain the maximum overall economies on behalf of the Participants.

5.1.1 Participant Load Forecasts. Annually each Participant may submit to NCPA a forecast of its monthly peak demand and energy load for the subsequent fifteen calendar year period. Such information shall consist of forecasts for the upcoming calendar year and the subsequent fourteen calendar year period. If a Participant does not submit such forecast information to NCPA in accordance with a schedule established by NCPA, NCPA staff will work in conjunction with the Participant to jointly produce such forecast information. The load forecast information shall be prepared in accordance with the applicable Pooling Schedules. The load forecast information may be used to develop load and resource balance information for the Pool and each Participant.

5.1.2 Pool Load Forecast. Annually NCPA shall develop combined Pool peak demand and energy load forecasts (the "Pool Forecast") using Participant load forecast information provided to NCPA in accordance with Section 5.1.1. Such forecast information shall be for a period of fifteen calendar years, including the upcoming calendar year and the subsequent fourteen calendar year period. The Pool Forecast shall be prepared in

accordance with the applicable Pooling Schedules. The Pool Forecast may be used by NCPA to develop load and resource balance information for the Pool and each Participant.

5.1.3 Participant Supply Portfolio. Each Participant shall promptly notify NCPA in advance of any new or material changes to its supply portfolio, including, but not limited to, additions to, retirements of, or any changes in generation, power supply contracts, transmission resources, or other supply sources which can affect the Participant's current or future load and resource balance, or NCPA's obligation to acquire sufficient supply to serve Pool load in the balance of month timeframe.

5.2 Capacity Reserve Requirements. Each Participant is required to comply with capacity reserve requirements established by its applicable regulatory authority. Each Participant may voluntarily elect to participate in the NCPA Capacity Pool to transact capacity among and between the Participants who have elected to participant in the NCPA Capacity Pool, pursuant to the rules and criteria set forth in the applicable Pooling Schedules.

5.3 Energy Requirement. Each Participant is required to comply with energy requirements established by its applicable regulatory authority. If such energy requirements impact NCPA's provision of Power Pool Management

Services or the activities associated with such, the provisions of such energy requirements shall be incorporated within an applicable Pooling Schedule.

5.4 Energy and Capacity Needs Determination. NCPA, using the Pool and Participant load and resource balance and forecast information developed pursuant to this Agreement, will evaluate each Participant's energy/capacity portfolio to determine if each Participant is in compliance with the energy and/or capacity requirements established by its applicable regulatory authority. If NCPA, based upon its assessment, determines that a Participant is not in compliance with its established energy and/or capacity requirements, NCPA shall consult with and provide an estimate of the energy and/or capacity need to the Participant for additions to the Participant's energy and/or capacity portfolio in order to satisfy the applicable requirements.

NCPA may consult with and assist the Participants in identifying potential energy and/or capacity supply that can be acquired to fill any deficiencies identified pursuant to this Section 5.4; provided, however, the individual Participants are responsible for procuring any additional energy and/or capacity needed to meet requirements established by their respective regulatory authority, where the term of such procurement is greater than balance of month, through separate agreements.

5.5 Allocation of Costs Resulting from Energy/Capacity Shortages. Any charges or penalties incurred by NCPA as a result of a Participant not having sufficient energy and/or capacity to meet the requirements established by its respective regulatory authority, will be allocated among the Participants pursuant to the principles of cost causation. Such charges and/or penalties shall be proportionally allocated among the Participant(s) who cause the charges and/or penalties. If the cause of the charges and/or penalties were due to the deficiency of energy and/or capacity, then the Participant(s) who were deficient will be allocated the cost of such shortfall. If based on available information NCPA is unable to determine the basis of the charges and/or penalties incurred by NCPA, the charges and/or penalties shall be allocated among the Participants based on a methodology established by the Commission.

Section 6. Power Pool Purchases and Sales.

6.1 Power Pool Purchases and Sales. NCPA shall purchase and sell energy, capacity, ancillary services and transmission on behalf of the Participants and thereby strive to economically serve the Pool load and meet other service obligations. NCPA shall enter purchase and sale transactions for a term of balance of month or less, including, but not limited to, transactions in the day-ahead, intra-day, and real-time time frame for energy, capacity, ancillary services and transmission on behalf of the Participants. Costs and revenues associated

with purchase and sale transactions entered into by NCPA on behalf of the Participants shall be allocated among the Participants in accordance with the applicable Pooling Schedules.

Transactions for energy, capacity, ancillary services and transmission for a term greater than balance of month shall be undertaken pursuant to separate agreements between NCPA and those Participants entering in to such agreements.

6.2 Acquisition of GHG Compliance Instruments. NCPA shall acquire GHG Compliance Instruments to satisfy any GHG compliance obligations that result from NCPA's provision of Power Pool Management Services under this Agreement, including, but not limited to, the purchase and sale of interchange transactions (energy imports and exports), in accordance with the applicable Pooling Schedule. All costs associated with the acquisition of GHG Compliance Instruments shall be allocated among the Participants in accordance with the applicable Pooling Schedule.

Section 7. Pool Scheduling and Central Dispatch.

7.1 Central Dispatch. Each Participant shall, to the fullest extent practicable, subject all loads, power supplies and transmission entitlements, including, but not limited to, a Participant's Project Participation Percentage share of energy and capacity supplied from a NCPA Project, Participant owned

and operated generation, and power supply contracts, to the central dispatch of NCPA and the Pool. All Participant loads, power supplies and transmission entitlements shall be scheduled and dispatched by NCPA in accordance with this Agreement for the benefit of the Pool, with the objective of creating economies of scale, striving to achieve the highest value for power supply resources and the lowest practical costs to serve loads, consistent with reliability standards, and in accordance with Good Utility Practice.

7.2 Scheduling Coordination. NCPA shall provide Scheduling Coordination Services and shall monitor, schedule, settle and dispatch Pool capacity, energy and associated attributes for delivery of Pool power supplies to Pool loads in accordance with this Agreement and the Amended and Restated Scheduling Coordination Program Agreement. Therefore the Participant shall become signatories to the Amended and Restated Scheduling Coordination Program Agreement. NCPA shall act as an Operating Entity on behalf of the Participants for the scheduling of Pool loads and power supplies, subject to all applicable operating constraints, requirements and tariffs applicable to such activities.

7.3 Scheduling of Western Resource. The Participants' entitlement to Western power (hereinafter referred to as "Base Resource"), which has been assigned to NCPA pursuant to each respective Assignment Contract entered into

between the Participants and Western, shall be scheduled by NCPA in accordance with the AAA Agreement and the Base Resource Contract. To the extent the AAA Agreement and Base Resource Contract do not address certain aspects of Base Resource scheduling, scheduling of Base Resource will be performed in accordance with this Agreement.

7.4 Metering. Each Participant shall install and maintain meters and metering equipment in accordance with all applicable metering requirements and standards, including, but not limited to, all standards and requirements enforced in the CAISO Tariff, the Amended and Restated Scheduling Coordination Program Agreement, and the MSSA Agreement, at their respective points of interconnection or as otherwise required. Each Participant shall be solely responsible for maintaining their respective metering equipment; provided, however, a Participant may contract with NCPA to supply meter maintenance services pursuant to separate agreements.

Section 8. NCPA Administrative Costs.

8.1 Cost of Services. All costs associated with NCPA's provision of Power Pool Management Services to the Participants, including, but not limited to, Administrative Services Costs and Power Pool Management Services Costs, shall be allocated among the Participants in accordance with this Agreement and the Power Management and Administrative Services Agreement.

8.2 Power Pool Management Services Costs. Each Participant agrees to and acknowledges its mandatory obligation to pay its allocated share of costs associated with Power Pool Management Services, including, but not limited to, Administrative Services Costs, as invoiced in its All Resources Bill.

Section 9. Billing and Payments.

9.1 Invoices. NCPA will issue an invoice to each Participant for its share of costs associated with Power Pool Management Services, and all other costs for services provided in accordance with this Agreement. Such invoice may be either the All Resources Bill or separate special invoice, as determined by NCPA. Such invoices will be made pursuant to the requirements and procedures provided for in this Agreement and all other applicable agreements. At NCPA's discretion, invoices may be issued to Participants using electronic media or physical distribution.

9.2 Payment of Invoices. All invoices delivered by NCPA (including the All Resources Bill) are due and payable thirty (30) Calendar Days after the date thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the following Business Day.

9.3 Late Payments. Any amount due and not paid by a Participant in accordance with Section 9.2 shall be considered late and bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or

reference rate) of the Bank of America NT&SA then in effect, plus two percent (2%) or (ii) the maximum rate permitted by law.

9.4 Billing Disputes. A Participant may dispute the accuracy of any invoice issued by NCPA under this Agreement by submitting a written dispute to NCPA, within thirty (30) Calendar Days of the date of such invoice; nonetheless the Participant shall pay the full amount billed when due. If a Participant does not timely question or dispute the accuracy of any invoice in writing the invoice shall be deemed to be correct. Upon review of a submitted dispute, if an invoice is determined by NCPA to be incorrect, NCPA shall issue a corrected invoice and refund any amounts that may be due to the Participant. If NCPA and the Participant fail to agree on the accuracy of an invoice within thirty (30) Calendar Days after the Participant has disputed it, the General Manager shall promptly submit the dispute to the Commission for resolution. If the Commission and the Participant fail to agree on the accuracy of a disputed invoice within sixty (60) Calendar Days of its submission to the Commission, the dispute may then be resolved under the mediation and arbitration procedures set forth in Section 16 of this Agreement. Provided, however, that prior to resort to either mediation or arbitration proceedings, the full amount of the disputed invoice must have been paid.

9.5 Billing/Settlement Data and Examination of Books and Records.

9.5.1 Settlement Data. NCPA shall make billing and settlement data available to the Participants in the All Resources Bill, or other invoice, or upon request. NCPA may also, at its sole discretion, make billing and settlement support information available to Participants using electronic media (e.g. electronic data portal). Procedures and formats for the provision of such electronic data submission may be as established by the NCPA Commission from time to time. Without limiting the generality of the foregoing, NCPA may, in its reasonable discretion, require the Participants to execute a non-disclosure agreement prior to providing access to the NCPA electronic data portal.

9.5.2 Examination of Books and Records. Any Participant to this Agreement shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement at any reasonable, mutually agreed upon time.

Section 10. Cooperation and Further Assurances. Each of the Parties agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by any other Party which are consistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry

out the intent of this Agreement. The Parties agree to cooperate and act in good faith in connection with obtaining any credit support required in order to satisfy the requirements of this Agreement.

Section 11. Participant Covenants and Defaults.

11.1 Each Participant covenants and agrees: (i) to make payments to NCPA, from its Electric System Revenues, of its obligations under this Agreement as an operating expense of its Electric System; (ii) to fix the rates and charges for services provided by its Electric System, so that it will at all times have sufficient Revenues to meet the obligations of this Agreement, including the payment obligations; (iii) to make all such payments due NCPA under this Agreement whether or not there is an interruption in, interference with, or reduction or suspension of services provided under this Agreement, such payments not being subject to any reduction, whether by offset or otherwise, and regardless of whether any dispute exists; and (iv) to operate its Electric System, and the business in connection therewith, in accordance with Good Utility Practice.

11.2 Events of Default. An Event of Default under this Agreement shall exist upon the occurrence of any one or more of the following by a Participant (the "Defaulting Participant"):

(i) the failure of any Participant to make any payment in full to NCPA when due, where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure;

(ii) the failure of a Participant to perform any covenant or obligation of this Agreement where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure. Provided, that this subsection shall not apply to any failure to make payments specified by subsection 11.2 (i));

(iii) if any representation or warranty of a Participant material to the services provided hereunder shall prove to have been incorrect in any material respect when made and the Participant does not cure the facts underlying such incorrect representation or warranty so that the representation or warranty becomes true and correct within thirty (30) Calendar Days of the date of receipt of notice from NCPA demanding cure; or

(iv) if a Participant is in default or in breach of any of its covenants under any other agreement with NCPA and such default or breach is not cured within the time periods specified in such agreement.

11.3 Uncontrollable Forces. A Party shall not be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of Uncontrollable Forces. Provided, that in order to be

relieved of an Event of Default due to Uncontrollable Forces, a Party affected by an Uncontrollable Force shall:

(i) first provide initial notice to the General Manager using telephone communication within two (2) Business Days of the onset of the Uncontrollable Force, and second provide further written notice to the General Manager and all other Parties within ten (10) Business Days of the onset of the Uncontrollable Force, describing its nature and extent, the obligations which the Party is unable to fulfill, the anticipated duration of the Uncontrollable Force, and the actions which the Party will undertake so as to remove such disability and be able to fulfill its obligations hereunder; and

(ii) use due diligence to place itself in a position to fulfill its obligations hereunder and if unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such disability with reasonable dispatch. Provided, that nothing in this subsection shall require a Party to settle or compromise a labor dispute.

11.4 Cure of an Event of Default. An Event of Default shall be deemed cured only if such default shall be remedied or cured within the time periods specified in Section 11.2 above, as may be applicable, provided, however, upon request of the Defaulting Participant the Commission may waive the default at its sole discretion, where such waiver shall not be unreasonably withheld.

11.5 Remedies in the Event of Uncured Default. Upon the occurrence of an Event of Default which is not cured within the time limits specified in Section 11.2, without limiting other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action NCPA may have against the Defaulting Participant, NCPA may, for so long as such Event of Default continues uncured, take any or all of the following actions:

(i) suspend the provision of services under this Agreement to such Defaulting Participant;

(ii) demand that the Defaulting Participant provide further assurances to guarantee the correction of the default, including the collection of a surcharge or increase in electric rates, or such other actions as may be necessary to produce necessary Revenues to correct the default;

(iii) terminate this Agreement as to the Defaulting Participant, on ten (10) Calendar Days prior written notice to the Defaulting Participant; or

(iv) enforce all other rights or remedies available to it under any other agreement in which the Defaulting Participant is a signatory.

11.6 Effect of Termination or Suspension.

11.6.1 Generally. The termination or suspension of this Agreement will not terminate, waive, or otherwise discharge any ongoing or

undischarged liabilities, credits or obligations arising from this Agreement until such liabilities, credits or obligations are satisfied in full.

11.6.2 Suspension. If performance of all or any portion of this Agreement is suspended by NCPA with respect to a Participant in accordance with subsection 11.5 (i), such Participant shall pay any and all costs incurred by NCPA as a result of such suspension including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, or other reasonable and necessary costs associated with such suspension and any portion of the costs associated with NCPA's provision of Power Pool Management Services, including Administrative Services Costs, that were not recovered from such Participant as a result of such suspension.

11.6.3 Termination. If this Agreement is terminated by NCPA with respect to a Participant in accordance with Section 11.5 (iii), such Participant shall pay any and all costs incurred by NCPA as a result of such termination, including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, other reasonable and necessary costs associated with such termination and any portion of costs associated with NCPA's provision of Power Pool Management Services that were not, or will not be, recovered from such Participant as a result of such

termination; provided, however, if NCPA terminates this Agreement with respect to the last remaining Participant, then this Agreement shall terminate.

Section 12. Pooling Schedules.

12.1 Pooling Schedules. Pooling Schedules shall be established relating to activities and operations of the Pool and administrative matters for the implementation of this Agreement. All Pooling Schedules may be established, repealed or amended by the Commission in accordance with this Agreement.

12.2 Scope of Pooling Schedules. Pooling Schedules include detailed principles, descriptions and procedures for managing, operating, scheduling, billing and settlement for Pooling activities.

Section 13. Other Agreements.

13.1 Precedence of Agreement. Where there is any conflict between this Agreement and the Joint Powers Agreement, a Project Agreement or a Project Indenture of Trust, the provisions in the Joint Powers Agreement, Project Agreement or Project Indenture of Trust shall control.

Section 14. Term and Termination.

14.1 Effective Date. This Agreement shall become effective on the first day of the month after which it has been duly executed by all Participants, and delivered to and executed by NCPA (the "Effective Date"). NCPA shall notify all Participants in writing of the Effective Date.

14.2 Term and Termination. This Agreement shall continue in full effect until terminated by consent of all Parties.

Section 15. Admission and Withdrawal of Participants.

15.1 Admission of a New Participant. Subsequent to the initial Effective Date, a Member may become a Participant by executing this Agreement. Such Member will become a Participant effective on the date of its delivery to NCPA of an executed counterpart of this Agreement.

15.2 Withdrawal of Participants. Any Participant may withdraw from this Agreement (**"Withdrawing Participant"**) by submitting notice, in writing to all Parties at least two (2) years in advance of the effective date of such withdrawal, provided that such withdrawal shall only be effective on the last day of a Fiscal Year and that the Withdrawing Participant has fully satisfied all obligations it has incurred under this Agreement. The two (2) year duration of the notice requirement may be waived or reduced by the Commission in its sole discretion. Withdrawal by any Participant shall not terminate this Agreement as to the remaining Participants.

15.3 Associated Costs. A Withdrawing Participant shall reimburse NCPA for any and all costs resulting from the withdrawal, including but not limited to the legal, accounting, and administrative costs of winding up and assuring the complete satisfaction and discharge of the Withdrawing

Participant's liabilities, credits or obligations, including any contingent liabilities, credits or obligations.

15.4 No Effect on Prior Liabilities. Withdrawal by any Participant will not terminate any ongoing or un-discharged liabilities, credits or obligations, including any contingent liabilities, credits or obligations, resulting from this Agreement until they are satisfied in full, or such Withdrawing Participant has provided a mechanism acceptable to NCPA, for the satisfaction in full thereof.

A Withdrawing Participant shall not be obligated to compensate the remaining Participants for loss of any benefits that would have accrued to the remaining Participants if the Withdrawing Participant had continued its participation. Nor shall the remaining Participants be obligated to compensate the Withdrawing Participant for any benefits that accrue to the remaining Participants because of the withdrawal. Reallocation of the costs and benefits of continuing under this Agreement after a Participant has withdrawn shall not give rise to any claim against a Withdrawing Participant by the remaining Parties. Nor shall any of the remaining Parties be obligated to compensate the Withdrawing Participant for any benefits that accrue to the remaining Parties because of such a reallocation of costs and benefits.

Section 16. Settlement of Disputes and Arbitration. The Parties agree to make best efforts to settle all disputes among themselves connected with this

Agreement as a matter of normal business under this Agreement. The procedures set forth in Section 10 of the Power Management and Administrative Services Agreement shall apply to all disputes that cannot be settled by the Participants themselves; provided, that the provisions of Section 9.4 shall first apply to all disputes involving invoices prepared by NCPA.

Section 17. Miscellaneous.

17.1 Confidentiality. The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement, to the extent possible, consistent with applicable laws, including the California Public Records Act. Confidential or trade secret information shall be marked or expressly identified as such.

If a Party ("Receiving Party") receives a request from a Third Party for access to, or inspection, disclosure or copying of, any of the other Party's (the "Supplying Party") confidential data or information ("Disclosure Request"), then the Receiving Party shall provide notice and a copy of the Disclosure Request to the Supplying Party within three (3) Business Days of receipt of the Disclosure Request. Within three (3) Business Days of receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying

Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Receiving Party shall deny the Disclosure Request and the Supplying Party shall defend the denial of the Disclosure Request at its sole cost, and it shall indemnify the Receiving Party for all costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the Receiving Party shall include all of the Receiving Party's costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to costs, penalties, and the Receiving Party's attorney's fees; or

(ii) the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

17.2 Indemnification and Hold Harmless. Subject to the provisions of Section 17.4, each Participant agrees to indemnify, defend and hold harmless NCPA and its Members, including their respective governing boards, officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of litigation, including experts, to the extent caused by any acts, omissions, breach of contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of that Participant,

its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

17.3 Several Liabilities. Except as otherwise provided herein or in an applicable Project Agreement, no Participant shall be liable under this Agreement for the obligations of any other Participant, each Participant shall be solely responsible and liable for performance of its obligations under this Agreement and the obligation of each Participant under this Agreement is a several obligation and not a joint obligation with those of the other Participants.

17.4 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL NCPA OR ANY PARTICIPANT OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL,

SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NCPA AND EACH PARTICIPANT EACH HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

17.5 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the Commission. Any such waiver by the Commission in any particular instance

shall not be deemed a waiver with respect to any subsequent performance, default or matter.

17.6 Division of Responsibility. Neither the General Manager, the Parties to this Agreement, nor an entity acting on behalf of the Parties, shall be responsible for the transmission, control, use, or application of capacity and energy provided under this Agreement or the Pooling Schedules attached hereto on the receiving Party's side of such Party's point of interconnection and shall not, in any event, be liable for damage or injury to any person or property whatsoever, arising, accruing, or resulting from, in any manner, the receiving, transmission, control, use application, or distribution by NCPA, or the Participants, or any Third Party acting on behalf of NCPA or the Parties, of said capacity and energy on the receiving Party's side of such Party's point of interconnection.

17.7 Amendments.

17.7.1 Amendments in General. Except where this Agreement specifically provides otherwise, this Agreement may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

17.7.2 Approval and Amendment of Pooling Schedules. Any addition to, amendment to or repeal of the Pooling Schedules attached hereto

shall take effect after being approved by the Commission in a manner consistent with the voting procedures set forth in Section 3.5 of this Agreement, without the requirement of an approval of the individual Participants' governing bodies.

17.8 Assignment of Agreement.

17.8.1 Binding Upon Successors. This Agreement, including the Pooling Schedules, shall inure to the benefit of and shall be binding upon the respective successors and assignees of the Parties to this Agreement.

17.8.2 No Assignment. This Agreement, nor any interest herein, shall be transferred or assigned by a Party hereto except with the consent in writing of the other Parties hereto, where such consent shall not be unreasonably withheld. Without limiting the foregoing, this Agreement shall not be assigned by Plumas-Sierra Rural Electric Cooperative without the approval in writing of the Administrator of the Rural Electrification Administration Utilities Service.

17.9 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and

effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

17.10 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

17.11 Headings. All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

17.12 Notices. Any notice, demand or request required or authorized by this Agreement to be given to any Party shall be in writing, and shall either be personally delivered to a Participant's Commissioner or Alternate, and to the General Manager, or shall be transmitted to the Participant and the General Manager at the addresses shown on the signature pages hereof. The designation of such addresses may be changed at any time by written notice given to the General Manager who shall thereupon give written notice of such change to each Participant. All such notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail first class postage prepaid, or on the first Business Day following delivery through electronic communication.

17.13 Warranty of Authority. Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms. Upon execution of this Agreement, each Participant shall deliver to NCPA a resolution of the governing body of such Participant evidencing approval of and authority to enter into this Agreement.

17.14 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

17.15 Venue. In the event that a Party brings any action under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

17.16 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, each Party shall bear its own fees and costs, including attorneys' fees, associated with the action.

17.17 Counsel Representation. Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney's fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 17.2 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

17.18 No Third Party Beneficiaries. Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties, to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.

IN WITNESS WHEREOF, NCPA and each Participant have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: General Counsel
Date: _____

CITY OF ALAMEDA
2000 Grand Street
P.O. Box H
Alameda, CA 94501

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: City Attorney
Date:_____

CITY OF BIGGS
465 "C" Street
Biggs, CA 95917

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: City Attorney
Date: _____

CITY OF GRIDLEY
685 Kentucky Street
Gridley, CA 95948

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: City Attorney
Date: _____

CITY OF HEALDSBURG
401 Grove Street
Healdsburg, CA 95448

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: City Attorney
Date: _____

CITY OF LODI
221 W. Pine Street
Lodi, CA 95240

By: Stephen Schwabauer
Title: Interim City Manager
Date: _____

Approved as to form:

By: Janice D. Magdich
Its: City Attorney
Date: _____

ATTEST:

Randi Johl-Olson
City Clerk

CITY OF LOMPOC
100 Civic Center Plaza
Lompoc, CA 93436

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: City Attorney
Date: _____

CITY OF OAKLAND, acting
by and through its
Board of Port Commissioners
530 Water Street
Oakland, CA 94607

By: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Its: Port General Counsel
Date: _____

CITY OF PALO ALTO
250 Hamilton Avenue
Palo Alto, CA 94301

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: City Attorney_____
Date: _____

PLUMAS-SIERRA RURAL
ELECTRIC COOPERATIVE
73233 Highway 70
Portola, CA 96122

_____

By:_____
Title: _____
Date: _____

Approved as to form:

_____

By:_____
Its: General Counsel_____
Date: _____

CITY OF UKIAH
300 Seminary Avenue
Ukiah, CA 95482

_____

By:_____
Title: _____
Date:_____

Approved as to form:

_____

By:_____
Its: City Attorney_____
Date: _____

POOLING SCHEDULE 1

LIST OF PARTICIPANTS

The following is a list of the Participants who are signatory to this Agreement:

City of Alameda
City of Biggs
City of Gridley
City of Healdsburg
City of Lodi
City of Lompoc
City of Oakland, acting by and through its Board of Port Commissioners
City of Palo Alto
City of Ukiah
Plumas-Sierra Rural Electric Cooperative

POOLING SCHEDULE 2

ALLOCATION OF POWER POOL MANAGEMENT SERVICES COSTS

Pursuant to Section 8.1 of this Agreement, all costs associated with NCPA's provision of Power Pool Management Services to the Participants, including, but not limited to, Administrative Services Costs and Power Pool Management Services Costs, shall be allocated among the Participants in accordance with this Agreement and the Power Management and Administrative Services Agreement.

Section 1. **Allocation of Power Pool Management Services Costs.** The costs directly assigned to Power Pool Management Services budget categories, or that are directly assigned or are allocated to the Pool Operating Entity, pursuant to the Power Management and Administrative Services Agreement, shall be allocated among the Participants using the following methodology:

- **Allocation Basis A – Applicable through the end of Fiscal Year 2014**

Direct Assignment Categories	Allocation Basis
Forecasting	Pool & BART (78% Load / 22% Contracts)
Resource Planning	Pool & BART (78% Load / 22% Contracts)
Prescheduling	Pool (78% Load / 22% Contracts)
Power Pool Administration	Pool (78% Load / 22% Contracts)
Pooling Committee	Pool (78% Load / 22% Contracts)
Industry Restructuring	Pool (78% Load / 22% Contracts)
Risk Management	Pool & BART (78% Load / 22% Contracts)
TANC Representation	TANC Participation Percentages

Western Representation	Western Base Resource Percentages **
Scheduling Coordination	Pool (78% Load / 22% Contracts)
Real-Time Dispatch	Pool (78% Load / 22% Contracts)

** Includes Truckee-Donner PUD

- **Allocation Basis B – Applicable Beginning Fiscal Year 2015**

Direct Assignment Categories	Allocation Basis
Forecasting	Pool & BART (33.3% Load / 33.3% Contracts / 33.3% Pool Resources)
Resource Planning	Pool & BART (33.3% Load / 33.3% Contracts / 33.3% Pool Resources)
Prescheduling	Pool (33.3% Load / 33.3% Contracts / 33.3% Pool Resources)
Power Pool Administration	Pool (33.3% Load / 33.3% Contracts / 33.3% Pool Resources)
Pooling Committee	Pool (33.3% Load / 33.3% Contracts / 33.3% Pool Resources)
Industry Restructuring	Pool (33.3% Load / 33.3% Contracts / 33.3% Pool Resources)
Risk Management	Pool & BART (33.3% Load / 33.3% Contracts / 33.3% Pool Resources)
TANC Representation	TANC Participation Percentages
Western Representation	Western Base Resource Percentages **
Scheduling Coordination	Pool (33.3% Load / 33.3% Contracts / 33.3% Pool Resources)
Real-Time Dispatch	Pool (33.3% Load / 33.3% Contracts / 33.3% Pool Resources)

** Includes Truckee-Donner PUD

Section 2. **Cost Allocation Review Process.** Subsequent to the Effective Date of this Agreement, a Participant may submit a written notice to the General

Manager requesting that the Power Pool Management Services Costs allocation methodology, as set forth in Section 1 of this Pooling Schedule 2, be evaluated to determine if the allocation methodology is consistent with the principle of cost causation, and is representative of the benefits received by the Participants for services provided under this Agreement. Such request must include a statement explaining the basis on which the Participant believes the Power Pool Management Services Costs allocation methodology should be amended, and include a description of what changes the Participant proposes to make to the Power Pool Management Services Costs allocation methodology.

Upon receiving such written request the General Manager shall establish an ad hoc committee of Participants. The ad hoc committee shall meet and review the Power Pool Management Services Costs allocation methodology. Upon completing is review of the proposal and the Pool Management Services Costs allocation methodology, the ad hoc committee shall provide recommendations for amendments to the Power Pool Management Services Costs allocation methodology, if any, to the General Manager. Adoption of any proposed amendments to the Pool Management Services Costs Allocation methodology shall be subject to the provisions of Section 3 of this Agreement.

POOLING SCHEDULE 3

FORECASTING

Section 1. **Forecasting Overview.** Electric load forecasts are required for a number of reasons by various entities. These entities include, but are not limited to, Pacific Gas and Electric Company ("PG&E"), the CAISO, the California Energy Commission ("CEC") and NCPA. For example, the Interconnection Agreement between NCPA, PG&E and certain Members ("IA") states that "NCPA shall provide PG&E with NCPA's electric load planning data by October 15 of each year. Such electric load planning data shall contain the best estimate of NCPA's electric system load for the next five-year period being served at Points of Interconnection." The MSS Agreement states that "NCPA shall provide to the CAISO annually its ten-year forecasts of Demand growth ... Such forecast shall be provided on the date that Utility Distribution Companies are required to provide similar forecasts and shall be provided in accordance with the CAISO Tariff." Changing regulations, such as resource adequacy and NERC reporting, may generate new forecasting requirements and deadlines.

Each Participant may also have its own internal forecast requirements that may be different from the requirements established by PG&E, CAISO, CEC, and NCPA. When Participants have a need to update their forecasts, NCPA will incorporate such updated forecast information in its database. NCPA will use a

Participant's most recent forecast held in the NCPA database when fulfilling reporting and regulatory requirements, as they may exist. In addition to using a Participant's most recent forecast held in the NCPA database to fulfill reporting and regulatory requirements, NCPA will use such data for budget and invoicing purposes, and to develop load and resource balance information pursuant to Section 5 of this Agreement.

Section 2. **Data Requirements.** Pursuant to California Code of Regulations, Title 20, Section 1306(a)(1) and 1307(a)(1), the CEC requires each energy service provider, electric retailer, gas retailer, utility distribution company and local distribution company that sells electricity or gas to end-use customers in California to report, on a quarterly basis, monthly electric and natural gas sales data. When Participants submit this data directly to the CEC, Participants shall also provide a copy of the data to NCPA staff. Instructions and timelines for submitting this data may be found in the CEC publication "Electric/Gas Sales and Electric Generation Data Collection, Forms and Instructions", dated May 2001. The instructions are also available on the CEC website, and can be accessed using the following web address:

http://www.energy.ca.gov/electricity/forms.html

Participants shall submit to NCPA estimated future energy and demand savings resulting from implementation of energy efficiency programs. For

Participants that submit their own forecasts to NCPA these savings should be stated separately from their energy and peak demand forecasts. If a Participant does not submit energy efficiency program estimates to NCPA, NCPA will assume that no energy efficiency programs have been implemented by the Participant.

Participants shall also submit to NCPA estimates of their load management and/or demand response programs. A load management and/or demand response program is generally described as a program in which the utility can request (or require) a customer to curtail load during times of system distress. For example, a residential air conditioning cycling program is considered as a load management program in the context of this Agreement. Participants shall report to NCPA a summary of all of its load management and/or demand response programs by September 15 of each Calendar Year. Throughout the year Participants shall report any changes or revisions to these programs and their expectation of use, especially during the peak summer periods. If a Participant does not submit load management and/or demand response estimates to NCPA, NCPA will assume no load management and/or demand response programs have been implemented by the Participant.

Section 3. **Forecasts.** In order to meet long-term forecasting requirements Participants may choose to submit their own forecast or provide NCPA the

historical data required for NCPA to develop a long-term forecast for the Participant. A Participant submitting its own forecasts to NCPA shall do so whenever the forecast is updated to ensure NCPA has current forecast information. NCPA will develop revised forecasts in early fall of each year. Each fifteen-year forecast shall include monthly energy (i.e., MWh measured at the city meter(s)) and peak demand (i.e. MW integrated over the hour as measured at city meter). The fifteen-year forecasts of monthly energy and peak demand will be allocated to integrated hourly values by NCPA. The allocation of forecast information should be made so NCPA can derive monthly coincident peak demand forecasts for each Participant, and have available a forecast of hourly loads for use by NCPA in the Plexos Modeling. Plexos Modeling is a software tool that is used in the Annual Budget process and for long-term resource planning.

The process used to develop forecasts, and the type of data used to develop forecasts, shall remain dynamic in nature and may deviate from the process described in this Pooling Schedule to meet revised requirements and/or due dates driven by an ever-changing regulatory environment. As such, these data requirements, forecasts, and due dates are subject to change. NCPA will update this Pooling Schedule to reflect such change when appropriate.

Each year, NCPA will produce and distribute a table showing the due dates for all data and forecast submittals. The table will summarize the data requirements and due dates for the data, and will summarize which Participants are required to submit data to NCPA in accordance with the published schedule for the upcoming Fiscal Year. It will also summarize data and forecast requirements that NCPA must comply with in reporting forecast information to state, federal, and other regulatory entities.

Section 4. **Long-Term Forecast Scenarios.** If long-term forecast scenarios are required by NCPA or a regulatory authority, NCPA will develop the scenarios in coordination with the Participants.

Section 5. **Long-Term Forecast Documentation.** Participants that produce their own forecasts shall provide relevant documentation and support, and will make staff available to provide explanations of their forecast methodology to the applicable regulatory authorities, as requested.

Section 6. **Short-Term Forecasts.** NCPA will develop all short-term forecasts, and will include input from Participants in such forecasts when provided. These forecasts include the active day, day-ahead, week-ahead and month-ahead time frames. The active-day forecasts are used to balance Pool load and system sales and/or purchases in the CAISO intra-day markets. The day-ahead forecasts are used to balance Pool load and system sales and/or purchases in the CAISO day-

ahead markets. The rolling week-ahead forecasts are submitted to the CAISO on a daily basis as required by the CAISO Tariff and the MSS Agreement. The month-ahead forecasts are used to develop pre-month scheduling plans. Monthly forecasts will integrate information included in the long-term and short-term forecasts, and will include information such as current weather information, economic and demographic data, and will include other relevant factors and inputs provided by the Participants.

POOLING SCHEDULE 4

NCPA CAPACITY POOL

Section 1. **NCPA Capacity Pool.** Pursuant to Section 5.2 of this Agreement, each Participant is required to comply with capacity reserve requirements established by its applicable regulatory authority. Each Participant may comply with such requirements by either participating in the NCPA Capacity Pool or by providing a compliance demonstration pursuant to the rules and criteria established by its applicable regulatory authority. This Pooling Schedule 4 establishes the rules and criteria for participating in the NCPA Capacity Pool, and includes the NCPA Capacity Pool Capacity Transfer Process.

The NCPA Capacity Pool participants recognize that to achieve a high degree of reliability in the electric service supplied to their customers, an amount of resources sufficient to meet both the immediate loads of their customers and to also permit maintenance, to provide for planning and forced generation outages, and to account for load forecast errors is required. In order to achieve a high degree of reliability in the electric service supplied to their customers, the NCPA Capacity Pool participants have elected to develop a common set of mandatory standards and criteria against which Participants that elect to participate in the NCPA Capacity Pool will be measured to determine if

Participants have acquired sufficient capacity to maintain the desired high degree of reliability.

The CAISO Tariff contains provisions requiring all load serving entities that have a peak demand exceeding one (1) MW, and that serve demand within the CAISO balancing authority area, to demonstrate that they have acquired sufficient capacity to meet both a planning reserve margin established by their applicable regulatory authority, and local capacity area resource requirements established by the CAISO. Each of the Participants currently operates within the CAISO balancing authority area as Load Following Metered Subsystem Entities and are signatories to the MSS Agreement. Pursuant to the CAISO Tariff Load Following Metered Subsystem Entities are required to provide to the CAISO a resource adequacy plan and to comply with local capacity area resource requirements established by the CAISO.

The right to establish certain requirements set forth in the CAISO Tariff has been delegated to the Participant's applicable regulatory authority. As a result, the NCPA Capacity Pool participants have been granted the right to establish the following provisions which are utilized within the overall compliance program:

(i) planning reserve margin; and

(ii) rule and criteria for calculating Qualifying Capacity and eligible resource types

The NCPA Capacity Pool allows Participants to aggregate capacity resources to comply with capacity reserve requirements, and to establish a mechanism to transfer surplus capacity among the NCPA Capacity Pool participants, as required. As further described below, there are rules and criteria for participating in the NCPA Capacity Pool, and rules and criteria used to coordinate the transfer of capacity between participants in the NCPA Capacity Pool.

Section 2. General Rules and Criteria for Participating in the NCPA Capacity Pool.

2.1 Participation. Participation in the NCPA Capacity Pool is voluntary. In order to participate in the NCPA Capacity Pool during the applicable compliance period, a Participant must inform NCPA, in writing, of its election to participate in the NCPA Capacity Pool two (2) weeks after the later of the:

(i) July Commission meeting;

(ii) date on which the capacity prices for system and local area capacity are developed and approved by the Commission; or

(iii) date on which the CAISO and/or CEC publishes the final local area capacity requirements and monthly coincident peak demand determination information that will be used to calculate each Participant's capacity reserve obligation.

Such election must be made prior to the annual system and local area compliance deadline for the applicable compliance period. Additional elections as described in this Pooling Schedule 4 are also due to be submitted as part of the annual election to participate. Once a Participant has elected to participate in the NCPA Capacity Pool, the Participant must continue to participate in the NCPA Capacity Pool in accordance with Pooling Schedules 4 and 5 for a minimum of one (1) year before it may elect to withdraw from the NCPA Capacity Pool. Once a Participant has elected to participate in the NCPA Capacity Pool, the Participant will continue to be recognized as a NCPA Capacity Pool participant until a notice of withdrawal has been received by NCPA from the participant. If a participant elects to withdraw from the NCPA Capacity Pool, the notification of withdrawal must be made to NCPA, in writing, on the same date in which Participants are required to elect to participate in the NCPA Capacity Pool for the applicable compliance period. Once a Participant has withdrawn from the NCPA Capacity Pool the Participant may not elect to rejoin the NCPA Capacity Pool until the specified election date for the compliance year following the

compliance year from which it has withdrawn (i.e., minimum one (1) year withdrawal).

2.2 Delegation of Authority. NCPA Capacity Pool participants are required to comply with common rules and criteria unless a participant identifies within its election to participate its choice to limit the type of resources that are eligible to be recognized as qualifying capacity in accordance with Pooling Schedule 5. In such case, the participant choosing not to include an identified resource type within its compliance demonstration will be unable to transfer such capacity within the NCPA Capacity Pool in accordance with Pooling Schedule 4. Other than any elected exception, the common rules and criteria are documented within the NCPA Capacity Pool Resource Adequacy Program contained in Pooling Schedule 5. Included within the NCPA Capacity Pool Resource Adequacy Program are common standards including the development of a planning reserve margin and rules and criteria used to calculate resource adequacy qualifying capacity. By electing to become a participant in the NCPA Capacity Pool, and by executing this Agreement, a Participant, and its applicable regulatory authority, are therefore delegating the authority granted to it, as stated in the CAISO tariff, to establish an applicable planning reserve margin and to develop a common set of rules and criteria used to calculate resource adequacy qualifying capacity to the Commission.

2.3 Establishment of Common Rules and Criteria for Compliance. Each of the NCPA Capacity Pool participants shall comply with the common rules and criteria contained in the NCPA Capacity Pool Resource Adequacy Program documented within Pooling Schedule 5 unless a participant chooses to elect to limit the type of resources that are eligible to be counted as qualifying capacity. For example, a participant may elect not to include Firm Energy Contracts as qualifying capacity within its compliance demonstration. Such election will be incorporated into the capacity transfer process. The NCPA Capacity Pool Resource Adequacy Program establishes the following categories of common rules and criteria:

(i) compliance demonstration;

(ii) demand forecast determination;

(iii) planning reserve margin;

(iv) CAISO authority to dispatch NCPA generation facilities;

(v) resource adequacy qualifying capacity rules and criteria; and

(vi) compliance and enforcement.

2.4 System and Local Area Capacity Resource Demonstrations. NCPA, acting as Scheduling Coordinator, on behalf of the NCPA Capacity Pool participants, is required to submit an annual and monthly system capacity demonstration and an annual local area capacity demonstration to the CAISO.

These demonstrations will be made according to the schedule and format specified within the NCPA Capacity Pool Resource Adequacy Program. NCPA will evaluate each individual NCPA Capacity Pool participant's portfolio to determine if that participant maintains an amount of capacity that is either surplus or deficient relative to its system and/or local area capacity reserve requirements. All capacity transactions with Third Parties and/or among Participants not executed pursuant to Pooling Schedule 4 will also be included in this evaluation. The results of this evaluation will be used by NCPA for the purpose of calculating the transfer of surplus capacity within the NCPA Capacity Pool, as required. NCPA will submit an aggregate system and local area capacity demonstration, on behalf of the NCPA Capacity Pool participants and the non NCPA Capacity Pool Participants to the CAISO. Such demonstrations will include an amount of capacity that is equal to or less than each Participant's respective capacity reserve requirement, limited only by the amount of capacity maintained within a Participant's portfolio (i.e., only if a Participant maintains an amount of capacity that is less than their capacity reserve requirement will an amount of capacity less than the Participant's requirement be included within the aggregate demonstrations). This evaluation will be performed in accordance with Pooling Schedules 4 and 5. The aggregate system and local area capacity demonstrations will reflect all capacity transfers within the NCPA Capacity Pool

made in accordance with this Pooling Schedule 4, for the applicable compliance period.

2.5 Transfer of Surplus Capacity. At the time a Participant is required to submit its election to participate in the NCPA Capacity Pool a Participant must include within its written election: (1) its choice to transfer only Type A capacity, or to transfer both Type A and Type B capacity, (2) its election to participate in the NCPA Capacity Pool as a Primary participant or a Secondary participant, and (3) identify any qualifying capacity maintained within its portfolio that it chooses not to transfer in the NCPA Capacity Pool for all, or a portion of the applicable compliance year. For example, at the time a new resource is under construction, and an exact commercial operational date for such resource has not been confirmed, a participant may choose not to transfer capacity sourced from such resource in the NCPA Capacity Pool to mitigate its risk of replacement, as described under this Pooling Schedule 4, that could result if the actual resource commercial operational date is delayed. Regardless of such election a participant may continue use such capacity to satisfy its own compliance requirements.

2.6 Type A and Type B Election. Each participant is required to elect the type of capacity it will transfer in the NCPA Capacity Pool. Capacity transferred in the NCPA Capacity Pool is categorized as either Type A or Type B capacity. The following is a description of Type A and Type B capacity:

(i) Type A capacity is capacity recognized to be qualifying capacity pursuant to the rules and criteria identified in Pooling Schedule 5, but does not include qualifying capacity sourced from Firm Energy Contracts or Industry Standard Contracts with Damages Provisions; and

(ii) Type B capacity is capacity recognized to be qualifying capacity pursuant to the rules and criteria identified in Pooling Schedule 5, but only includes qualifying capacity sourced from Firm Energy Contracts or Industry Standard Contracts with Damages Provisions.

Type A capacity may include both system and/or local area capacity. Type B capacity includes only system capacity. If a participant fails to make such election the default election is to transfer both Type A and Type B capacity. Capacity that is maintained by a NCPA Capacity Pool participant that is surplus to that participant's system and/or local area capacity reserve requirement will be automatically transferred to any and all participants within the NCPA Capacity Pool that are deficient in meeting their respective system and/or local area capacity reserve requirement, in accordance with the Pooling Schedule 4. NCPA Capacity Pool participants who have elected only to transfer Type A capacity will only be allocated Type A capacity if they are determined to be deficient. NCPA Capacity Pool participants who have elected to transfer Type A and Type B capacity will be allocated both Type A and Type B capacity if they are

determined to be deficient. NCPA Capacity Pool participants who have surplus Type A and/or Type B capacity may transfer surplus capacity to those deficient participants who have elected to transfer each respective capacity type. Such capacity will be allocated in accordance with this Pooling Schedule 4. Only a total amount of surplus capacity equal to or less than the total amount of deficiency within the aggregate NCPA Capacity Pool will be transferred among participants. Any surplus capacity greater than the aggregate deficiency within the NCPA Capacity Pool will not be transferred among the NCPA Capacity Pool participants as part of the NCPA Capacity Pool. The process for transferring surplus capacity within the NCPA Capacity Pool, and for developing the pricing of such transfer, is described in this Pooling Schedule 4.

Capacity that is transferred from a NCPA Capacity Pool participant to a Participant who has not elected to participate in the NCPA Capacity Pool, or to a Third Party, will be transacted pursuant to a separate agreement.

2.7 Primary Participant and Secondary Participant Election. Each participant is required to elect to participate in the NCPA Capacity Pool as a Primary participant or a Secondary participant. If a participant fails to make such election the default election will be Primary participant. The following is a description of each type of NCPA Capacity Pool participant:

(i) a Primary participant is a participant who elects to transfer capacity in all months of the applicable compliance year in which the participant maintains either a surplus amount of capacity, or is deficient in satisfying its compliance requirements. Such participation will not be limited to a predefined set of months selected by the participant; and

(ii) a Secondary participant is a participant who chooses to transfer capacity only during those months that are preselected by the participant in which the participant maintains either a surplus amount of capacity, or is deficient in satisfying its compliance requirements. At the time NCPA Capacity Pool participant elections are due, a Secondary participant is required to identify the months during the applicable compliance period in which it will participate in the NCPA Capacity Pool.

Primary participants will be given priority regarding capacity transferred in the NCPA Capacity Pool. Secondary participants will only be eligible to transfer, or receive, capacity through the NCPA Capacity Pool once the compliance requirements of all Primary participants have been satisfied. For example, if the amount of surplus capacity available to be transferred in the NCPA Capacity Pool, in any particular month, is less than or equal to the deficiency of all Primary participants, all Primary participants will be allocated such surplus capacity prior to any capacity being allocated to Secondary

participants. Only to the extent that the amount of surplus capacity available to be transferred in the NCPA Capacity Pool, in any particular month, is greater than the deficiency of all Primary participants will such excess surplus capacity be transferred to Secondary participants who are deficient in satisfying their respective compliance requirements. Pooling Schedule 4 describes the transfer process that applies to Primary and Secondary participants.

Section 3. **NCPA Capacity Pool Transfer Process.** One of the objectives of developing the NCPA Capacity Pool is to create a process in which capacity maintained by NCPA Capacity Pool participants that is surplus to their respective capacity reserve requirement can be transacted in an efficient manner. As stated in this Pooling Schedule 4, once a Participant has voluntarily elected to participate in the NCPA Capacity Pool, a Participant will be required to participate in the automatic capacity transfer process described below. Each NCPA Capacity Pool participant's capacity portfolio will be evaluated to determine if that participant is surplus and/or deficient in complying with the capacity reserve requirements established by its applicable regulatory authority. To the extent there are NCPA Capacity Pool participants who maintain capacity that is surplus to their respective capacity reserve requirements, and there are NCPA Capacity Pool participants who are deficient in complying with their respective capacity reserve requirements, NCPA, through this Pooling Schedule

and the All Resources Bill, will automatically transfer capacity among the surplus and deficient NCPA Capacity Pool participants, in accordance with each NCPA Capacity Pool participant's Type A and Type B capacity election, and Primary or Secondary participation election. This capacity transfer process is described in this Pooling Schedule 4.

3.1 System and Local Area Capacity Transfer Timing. System and local area capacity will be transferred in accordance with the schedule described in this Section of Pooling Schedule 4:

3.1.1 Local Area Capacity. Local area capacity will be transferred twice annually. The first local area capacity transfer will be executed five (5) business days after the date on which Participants are required to submit an election to participate within the NCPA Capacity Pool, among participants who have elected to transfer Type A capacity, for the applicable compliance period. The second local area capacity transfer will be executed approximately five (5) business days prior to the date the local area capacity compliance demonstration is due to be submitted to the CAISO. This transfer process will be conducted prior to any system capacity transfers because local area capacity is equally effective at meeting both local area and system capacity requirements.

3.1.2 System Capacity. System capacity will be transferred twice annually, and once each month during the applicable compliance period.

(i) The first annual system capacity transfer will be executed five (5) business days after the date on which Participants are required to submit an election to participate within the NCPA Capacity Pool, among participants who have elected to transfer Type A and/or Type B capacity, for the applicable compliance period. The second annual system capacity transfer will be executed approximately five (5) business days prior to the date the applicable compliance demonstration is due to be submitted to the CAISO. This transfer process will be executed after any local area capacity transfers are conducted. Pooling Schedule 5 describes the annual system capacity reserve requirement and demonstration process, in which participants will demonstrate an amount of qualifying capacity that is equal to or greater than ninety percent (90%) of their respective monthly coincident peak demand determination plus the monthly planning reserve margin, established in Pooling Schedule 5, for each or any of the five summer months, May through September, of the applicable compliance period. Unless otherwise elected by a participant, only to the extent that a participant's system capacity position is greater than one-hundred percent (100%) of their respective monthly coincident peak demand determination plus the monthly planning

reserve margin for each or any of the five summer months, established in Pooling Schedule 5, for the applicable compliance period, will either Type A and/or Type B system capacity be transferred from a surplus participant to a deficient participant through the NCPA Capacity Pool capacity transfer process.

If a participant provides notice to NCPA, in writing, as part of its election to participate within the NCPA Capacity Pool for the applicable compliance period, that it would like to transfer Type A and/or Type B system capacity that is maintained within its capacity portfolio that is in excess of its ninety percent (90%) annual system capacity requirement for each or any of the five summer months, as specified in Pooling Schedule 5, then NCPA will transfer any Type A and/or Type B capacity that is greater than a participant's annual system requirement to deficient participants, in accordance with their Type A and Type B election status, for the duration of the applicable compliance period.

(ii) System capacity will be transferred once monthly, among participants who have elected to transfer Type A and/or Type B capacity, approximately five (5) business days prior to the date the applicable compliance demonstration is due to be submitted to the CAISO. Pooling Schedule 5 describes the monthly system capacity reserve requirement and demonstration process, in which participants will demonstrate a quantity of qualifying capacity that is equal to or less than one-hundred percent (100%) of their respective

monthly coincident peak demand determination plus the monthly planning reserve margin, established in Pooling Schedule 5, for the applicable compliance period.

3.2 System and Local Area Capacity Transfer Billing Process. Amounts to be paid or charged resulting from the transfer of system and/or local area capacity among NCPA Capacity Pool participants, pursuant to this Pooling Schedule 4, for the applicable compliance year will be included within the All Resources Bill. The total amount of funds transacted in the annual transfer of system and local area capacity within the NCPA Capacity Pool will be paid to or charged to the appropriate participants within the All Resources Bill in twelve (12) equal monthly payments over the duration of the applicable compliance year. The total amount of funds transacted in the monthly transfer of system capacity within the NCPA Capacity Pool will be paid to or charged to the appropriate participants within the All Resources Bill the month following the transfer of capacity.

3.3 Development of Capacity Balance for Capacity Transfer Process and Compliance Demonstrations. For each applicable capacity transfer and compliance period, NCPA will develop a capacity balance for each of the NCPA Capacity Pool participants. A revised and updated capacity balance will be distributed to the NCPA Capacity Pool participants prior to the submission of

each resource adequacy demonstration to the CAISO (including both annual and monthly submissions developed and provided in accordance with Pooling Schedule 5). Each NCPA Capacity Pool participant is responsible for reviewing the current capacity balance distributed by NCPA to ensure all capacity that is maintained by the participant is accounted for and reflected accurately in the capacity balance. If a NCPA Capacity Pool participant identifies a discrepancy in the current capacity balance developed and distributed by NCPA, the participant must contact NCPA to inform NCPA of the discrepancy. If, per mutual agreement between the participant and NCPA, it is determined that a correction to the current capacity balance is required, NCPA will update and redistribute the capacity balance. If NCPA has not received notice from a NCPA Capacity Pool participant(s), within three (3) days prior to the applicable capacity transfer or resource adequacy annual or monthly demonstration deadline, that there is a discrepancy in the current capacity balance, the capacity balance will be deemed accurate and will be made final, and will be used for the next applicable capacity transfer process and/or resource adequacy demonstration.

3.4 Evaluation of Surplus/Deficient Capacity Positions for Capacity Transfer Process. Once the applicable capacity balance developed by NCPA has been certified and deemed final, NCPA will evaluate each NCPA Capacity Pool participant's resulting system and/or local area capacity balance to determine if

they maintain system and/or local area capacity that is surplus to their needs, or if they maintain system and/or local area capacity that is deficient in meeting its capacity reserve requirement for the applicable compliance period. This analysis will separately account for each type of capacity that qualifies as Type A or Type B capacity. Type A and Type B capacity will be used in the following manner to satisfy a participant's capacity reserve requirement:

(i) A participant's Type A capacity will be used first to meet its system and/or local area capacity reserve requirement;

(ii) If a participant's total amount of Type A local area capacity is equal to or less than its local area capacity reserve requirement, then the total amount of the participant's Type A local area capacity will be used to satisfy its capacity reserve requirements;

(iii) If a participant's total amount of Type A local area capacity is greater than its local area capacity reserve requirement, then the amount of Type A local area capacity that is surplus to its need will be treated as surplus local area capacity that is available for transfer unless the following conditions apply[1]:

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[1] The objective of step 3 is to provide a participant who maintains surplus local area capacity, but who is deficient in meeting its system capacity reserve requirement, the ability to simultaneously sell local area capacity and buy system capacity to maximize the amount of surplus local area capacity available for transfer within the NCPA Capacity Pool. Only to the extent that there is insufficient system capacity available for transfer from the NCPA Capacity Pool

(a) if a participant's total amount of Type A and Type B system capacity is less than its system capacity reserve requirement not met with Type A local area capacity, and there is insufficient surplus system capacity available for transfer from the NCPA Capacity Pool to fulfill its system capacity reserve requirement, an amount of the participant's surplus local area capacity will be used to meet its remaining system capacity reserve requirement; or

(b) if a participant's total amount of Type A and Type B system capacity is less than its system capacity reserve requirement not met with Type A local area capacity, and the total amount of the participant's surplus local area capacity cannot be transferred to other participants within the NCPA Capacity Pool, an amount of the participant's surplus local area capacity which cannot be transferred to other participants within the NCPA Capacity Pool will be used to meet a portion or all of its remaining system capacity reserve requirement.

(iv) If a participant's total amount of Type A system capacity is equal to or less than its system capacity reserve requirement not met with Type

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to meet the participant's system capacity reserve deficiency, or if the total amount of the participant's surplus local area capacity cannot be transferred within the NCPA Capacity Pool, will a quantity of that participant's surplus local area capacity be used to meet its system capacity reserve requirements above the amount used to meet its local area capacity reserve requirement.

A local area capacity, then the total amount of the participant's Type A system capacity will be used to satisfy its capacity reserve requirement;

(v) If a participant's total amount of Type A system capacity is greater than its system capacity reserve requirement not met with local area capacity, then the amount of Type A system capacity that is surplus to its total needs will be treated as surplus system capacity that is available for transfer; and

(vi) If a participant's total amount of Type A capacity is less than its system capacity reserve requirement then an amount of Type B capacity equal to or less than its remaining system capacity reserve requirement, that has not been met with Type A local area capacity and Type A system capacity, will be used to meet its need, otherwise any amount of Type B capacity that is greater than its remaining system capacity reserve requirement will be treated as surplus system capacity that is available for transfer.

NCPA will evaluate the capacity balance of each participant to determine if any NCPA Capacity Pool participants are deficient in meeting their applicable system and/or local area capacity reserve requirements. If a single or a collection of NCPA Capacity Pool participants are deficient in meeting their applicable system and/or local area capacity reserve requirements, NCPA will calculate the total amount of system and/or local area deficiency within the NCPA Capacity Pool. Once any deficiency has been confirmed, NCPA will determine if any

NCPA Capacity Pool participants maintain surplus system and/or local area capacity within the NCPA Capacity Pool that could either partially or fully offset the identified deficiency. Such surplus capacity will be distinctly accounted for as Type A local area capacity, Type A system capacity or Type B system capacity. If the total amount of surplus system and/or local area capacity within the NCPA Capacity Pool is equal to or less than the total system and/or local area deficiency, all surplus system and/or local area capacity will be transferred between the surplus and deficient NCPA Capacity Pool participants limited only by each participant's election to transfer Type A and/or Type B capacity, and each Participant's election to participate in the NCPA Capacity Pool as a Primary or Secondary participant. If the total amount of surplus system and/or local area capacity within the NCPA Capacity Pool is greater than the total system and/or local area deficiency, only an amount of surplus system and/or local area capacity equal to the total system and/or local area capacity deficiency will be transferred within the NCPA Capacity Pool, limited by each participant's election to transfer Type A and/or Type B capacity.

3.5 NCPA Capacity Pool Transfer. Surplus Type A system and/or local area capacity will be transferred among participants prior to Type B system capacity. Local area capacity transfers will be identified and completed using the capacity transfer process prior to system capacity transfers. System capacity

transfers will be identified and completed using the capacity transfer process only after the initial local area capacity transfers have been completed. If a NCPA Capacity Pool participant(s) has been found to be deficient in meeting a system and/or local area compliance requirement, and an amount of surplus system and/or local area capacity has been identified to be available for transfer, then NCPA, acting as NCPA Capacity Pool administrator, will transfer the identified surplus system and/or local area capacity to the NCPA Capacity Pool participant(s) that are deficient in meeting a capacity reserve requirement. If the total amount of surplus system and/or local area capacity available for transfer, in a specific month, is equal to or less than the total deficiency of all Primary participants, such surplus capacity will only be transferred to Primary participants and no surplus capacity will be transferred to Secondary participants. If the total amount of surplus system and/or local area capacity available for transfer, in a specific month, is greater than the total deficiency of all Primary participants, Secondary participants will be transferred a share of such excess surplus capacity in accordance with the transfer process described below. Only the type of capacity elected to be transferred by a participant, either Type A and/or Type B capacity, will be transferred to the deficient participant if available. The amount of surplus system and/or local area capacity that will be transferred between surplus and deficient participants will be equal to or less

than the amount of deficiency identified and limited only by each deficient participant's capacity type election. Any surplus system and/or local area capacity in excess of the total identified system and/or local area deficiencies will not be transferred within the NCPA Capacity Pool. The following steps will be used to transfer surplus system and/or local area capacity within the NCPA Capacity Pool:

(i) Using the final capacity balance developed by NCPA, NCPA will identify the quantity of capacity deficiency for each NCPA Capacity Pool participant who has been found to be deficient in meeting its applicable capacity reserve requirement;

(ii) Using the information developed in this Pooling Schedule 4, NCPA will identify the quantity of capacity that is surplus to each NCPA Capacity Pool participant's need, by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity), which is available for transfer;

(iii) NCPA will calculate the total quantity of surplus capacity available for transfer, by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity), within the NCPA Capacity Pool;

(iv) NCPA will calculate each surplus participant's proportionate share of the total NCPA Capacity Pool surplus by category (i.e., Type A local

area capacity, Type A system capacity or Type B system capacity), which is available for transfer;

(v) A quantity of surplus capacity equal to the lesser of one (1) MW or the deficient participant's calculated deficiency, will be allocated to the deficient Primary participant based on its respective capacity type election, unless the total amount of surplus capacity available for transfer (as calculated in step 3) is less than the total amount to be transferred under this step 5, in which case the total amount of surplus capacity will be equally allocated to each deficient Primary participant, but such amount shall not exceed a deficient Primary participant's total deficiency[2];

(vi) If after step (v) of the transfer process an amount of surplus capacity remains available, a quantity of surplus capacity equal to or less than the remaining total amount of NCPA Capacity Pool Primary participants' deficiency will be allocated, by capacity type, to the deficient Primary participants based on their proportionate share of the remaining NCPA Capacity Pool Primary participants' deficiency. A participant will only be allocated the capacity type(s) it has elected to transfer;

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[2] Step 5 of the capacity transfer process is intended to ensure all deficient Primary participants, regardless of the size of their respective deficiency as compared to other Primary participants, will receive a transfer of surplus capacity that is equal to the lesser of one (1) MW or their respective deficiency, pending the availability of surplus capacity.

(vii) If an amount of surplus capacity remains available, in a given month, after the deficiency of all Primary participants has been fully satisfied, such remaining surplus capacity will be proportionately allocated, by capacity type, to Secondary participants who are deficient in meeting their respective compliance requirement for those months that each Secondary participant has elected to participate in the NCPA Capacity Pool. The amount of surplus capacity transferred to Secondary participants will not exceed a Secondary participant's deficiency; and

(viii) The total amount paid for the quantity of surplus capacity transferred to deficient participants will be allocated to the surplus participants based on their proportionate share of the total NCPA Capacity Pool surplus by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity).

The results of the capacity transfers will be accounted for in the applicable capacity demonstration for the term of the transfer.

3.6 Assignment of Charges or Penalties for Disqualified System and Local Area Capacity. Once system and local area capacity demonstrations are submitted to the CAISO, the CAISO will evaluate the demonstration to determine if it is in compliance with the applicable capacity reserve requirements. Pursuant to the CAISO Tariff, CAISO will review such

demonstrations and will identify if such satisfies a participant's compliance requirement. Pursuant to this review, if the CAISO disqualifies an amount of capacity that is maintained within a NCPA Capacity Pool participant's portfolio, CAISO will provide notice to the participant's Scheduling Coordinator that such capacity has been disqualified. At such time the disqualified capacity may be replaced by the participant in accordance with the rules and timelines set forth in the CAISO Tariff. If NCPA, acting as Scheduling Coordinator on behalf of the participants, receives notice from the CAISO that it has disqualified an amount of capacity that is maintained within a NCPA Capacity Pool participant's portfolio, NCPA will promptly notify those participants impacted by such notice. If as a result of CAISO's disqualification of such capacity NCPA incurs a penalty or charge from the CAISO, the penalty or charge incurred by NCPA will be allocated to the Participant(s) that maintained such capacity within its portfolio prior to any system and/or local area capacity transfers. This allocation methodology will ensure that any capacity that is transferred within the NCPA Capacity Pool transfer process that is disqualified by the CAISO, and which results in the assessment of charges or penalties, will not result in harm to the procuring party, but instead provides an incentive to the selling party to provide fully qualified capacity to the NCPA Capacity Pool.

3.7 Assignment of Non-Availability Charges and Availability Incentive Payments. Once system and/or local area capacity demonstrations are submitted to the CAISO, the CAISO will measure the performance of such capacity in accordance with the provisions of the CAISO Tariff. Pursuant to this review, if the CAISO determines that such capacity has failed to perform in accordance with the provisions of the CAISO Tariff resulting in non-availability charges being assessed to NCPA, or if the CAISO determines that such capacity has exceeded the performance standards in accordance with the provisions of the CAISO tariff resulting in the credit of availability incentive payments to NCPA, such charges and/or incentive payments will be allocated to Participant(s) that maintained such capacity within its portfolio prior to any system and/or local area capacity transfers. This allocation methodology will ensure that any capacity that is transferred within the NCPA Capacity Pool transfer process that either does not perform in accordance with the CAISO Tariff, or that exceeds the performance standards in accordance with the provisions of the CAISO Tariff, will not harm or provide an availability benefit to the procuring party, but instead will provide an incentive to the selling party to offer capacity that meets or exceeds the CAISO availability requirements contained within the CAISO tariff to the NCPA Capacity Pool transfer process.

3.8 Development of Capacity Transfer Pricing. All Capacity transferred between participants within the NCPA Capacity Pool will be priced in accordance with the provisions found within this section. Capacity pricing for both system and local area capacity will be developed for use by the NCPA Capacity Pool participants, and will not be effective for other non NCPA Capacity Pool capacity transfers that NCPA may administer. Capacity pricing for both system and local area capacity will be developed annually, and will be established pursuant to Commission adoption and approval that will take place at the Commission meeting held in July. If capacity prices for both system and local area capacity are not adopted and approved by the Commission at the Commission meeting held in July, capacity prices for both system and local area capacity will be adopted and approved by the Commission during the next available Commission meeting.

3.8.1 System and Local Area Capacity Pricing Alternatives. The following alternatives or methodologies, or a combination of such, may be utilized to develop a system and local area capacity price that will be used within the NCPA Capacity Pool transfer process:

(i) negotiated price;

(ii) market price survey, formal or informal request for proposal; of

(iii) CAISO backstop procurement proxy value of capacity.

An ad hoc group of NCPA Capacity Pool participants will be organized to develop and propose a system and local area capacity price to the Commission for adoption and approval, in a timeframe consistent with the approval process described in this Pooling Schedule 4. If the established ad hoc group of NCPA Capacity Pool participants is unable to collectively develop and propose a system and local area capacity price to the Commission for adoption and approval, in a timeframe consistent with the approval process described in this Pooling Schedule 4, a default price will be established for system and local area capacity as described in this Pooling Schedule 4.

3.8.2 Default System and Local Area Capacity Price. In the event an established ad hoc group of NCPA Capacity Pool participants is unable to collectively develop and propose a system and/or local area capacity price to the Commission for adoption and approval, in a timeframe consistent with the approval process described in this Pooling Schedule 4, the following default system and local area capacity pricing methodologies will be used to derive prices that will be used within the NCPA Capacity Pool transfer process:

(i) the system capacity price that will be used for capacity transfers within the NCPA Capacity Pool will be equal to the CAISO proxy value of capacity, established within the CAISO Tariff, for

backstop procurement multiplied by fifty percent (50%); the system capacity price, expressed as a formula, is:

(a) System Capacity Price ($/kW-year) = CAISO Proxy Value of Backstop Capacity * 0.5

(ii) the local area capacity price that will be used for capacity transfers within the NCPA Capacity Pool will be equal to the CAISO proxy value of capacity, established within the CAISO Tariff, for backstop procurement, expressed as a formula:

(b) Local Capacity Price ($/kW-year) = CAISO Proxy Value of Backstop Capacity

POOLING SCHEDULE 5

NCPA CAPACITY POOL RESOURCE ADEQUACY PROGRAM

Section 1. **Resource Adequacy Program.** The NCPA Capacity Pool participants recognize that to achieve a high degree of reliability in the electric service supplied to their customers, an amount of resources sufficient to meet both the immediate loads of their customers, and to also permit maintenance, to provide for planned and forced outages, and to account for load forecast errors is required. In order to achieve a high degree of reliability in the electric service supplied to their customers, the NCPA Capacity Pool participants have established this resource adequacy program to accomplish this goal, as found in this Pooling Schedule 5, which includes the following information and requirements:

(i) Applicability;

(ii) Compliance Demonstration;

(iii) Demand Forecast;

(iv) Planning Reserve Margin;

(v) CAISO Authority to Dispatch Qualifying Capacity;

(vi) Qualifying Capacity Rules and Criteria; and

(vii) Compliance and Enforcement.

This NCPA Capacity Pool resource adequacy program has been developed to coordinate with the rules and requirements incorporated in the CAISO Tariff. This NCPA Capacity Pool resource adequacy program may be modified by vote of the Commission. Any modifications to the NCPA Capacity Pool resource adequacy program will be developed in accordance with the Commission approval process. NCPA acts as Scheduling Coordinator on behalf of the NCPA Capacity Pool participants. Capitalized terms not otherwise defined within this Agreement shall be defined as set forth in the Master Definitions Supplement of the MRTU Tariff.

Section 2. **Applicability.** Pursuant to Section 40 of the CAISO Tariff all Load Serving Entities ("LSE") and their respective Scheduling Coordinators, with limited exemptions, are subject to certain resource adequacy requirements based on its election of LSE status. The participants currently operates within the CAISO balancing authority area as Load Following Metered Subsystem entities and are signatories to the MSS Agreement, and are recognized as Load Following Metered Subsystem entities regarding the application of resource adequacy requirements. The NCPA Capacity Pool participants are required to comply with the requirements encompassed within this resource adequacy program and the CAISO Tariff, as applicable.

The right to establish certain requirements set forth in the CAISO Tariff has been delegated to the local regulatory authority of each applicable LSE. As a result, the NCPA Capacity Pool participants have been granted the right to establish the following provisions which are utilized within the NCPA Capacity Pool Resource Adequacy Program:

(i) planning reserve margin; and

(ii) qualifying capacity rules and criteria, per resource type.

Pursuant to Pooling Schedule 4 the NCPA Capacity Pool participants, and their respective authority(s) of competent jurisdiction, have delegated authority to establish an effective planning reserve margin and to define rules and criteria for calculating qualifying capacity to the Commission. As a result, the Commission has established within this NCPA Capacity Pool Resource Adequacy Program both the planning reserve margin and qualifying capacity rules and criteria that are applicable to each of the NCPA Capacity Pool participants. The planning reserve margin and qualifying capacity rules and criteria found within this Pooling Schedule 5 are meant to establish a common baseline set of rules applicable to the NCPA Capacity Pool participants. The adopted planning reserve margin is found in this Pooling Schedule 5. The adopted qualifying capacity rules and criteria are found in this Pooling Schedule 5.

Section 3. **Compliance Demonstration.** Pursuant to the NCPA Capacity Pool Resource Adequacy Program and the CAISO Tariff, the NCPA Capacity Pool participants are required to provide a system and local area resource adequacy demonstration to the CAISO that sets forth the amount of capacity either procured or self-provided by the NCPA Capacity Pool participants to satisfy the obligations described below. As a result, NCPA will submit, on behalf of the NCPA Capacity participants, the following information to the CAISO:

3.1 Submission of Annual System Resource Adequacy Demonstration. NCPA will submit an aggregate annual system resource adequacy demonstration to the CAISO for the applicable compliance period, on behalf of the NCPA Capacity Pool participants acting as Scheduling Coordinator, on a schedule and in a format set forth by the CAISO Tariff and the CAISO business practice manual for reliability requirements. The annual system resource adequacy demonstration will include an aggregate monthly coincident peak demand determination for the NCPA Capacity Pool participants for each of the five summer months, May through September, of the applicable compliance period, established pursuant to this Pooling Schedule 5, and identify the megawatt ("MW") quantity of Resource Adequacy Qualifying Capacity, established pursuant to this Pooling Schedule 5, that the NCPA Capacity Pool participants will rely upon to satisfy at least ninety percent (90%) of their

respective monthly coincident peak demand determinations plus the monthly planning reserve margin, established in this Pooling Schedule 5, for each of the five summer months, May through September, of the applicable compliance period.

3.2 Submission of Monthly System Resource Adequacy Demonstration. NCPA will submit an aggregate monthly system resource adequacy demonstration to the CAISO for the applicable compliance period, on behalf of the NCPA Capacity Pool participants acting as Scheduling Coordinator, on a schedule and in a format set forth by the CAISO Tariff and the CAISO business practice manual for reliability requirements. The monthly system resource adequacy demonstration will include an aggregate monthly coincident demand determination for the NCPA Capacity Pool participants for the relevant reporting month of the applicable compliance period, established pursuant to this Pooling Schedule 5, and identify the megawatt ("MW") quantity of resource adequacy qualifying capacity, established pursuant to this Pooling Schedule 5, that the NCPA Capacity Pool participants will rely upon to satisfy one-hundred percent (100%) of their respective monthly coincident demand determinations plus the monthly planning reserve margin, established in this of Pooling Schedule 5, for the relevant reporting month of the applicable compliance period.

3.3 Submission of Annual Local Area Resource Adequacy Demonstration. NCPA will submit an aggregate annual local area capacity resource adequacy demonstration to the CAISO for the applicable compliance period, on behalf of the NCPA Capacity Pool participants acting as Scheduling Coordinator, on a schedule and in a format set forth by the CAISO Tariff and the CAISO business practice manual for reliability requirements. The annual local area resource adequacy demonstration will identify the megawatt ("MW") quantity of resource adequacy qualifying capacity, established pursuant to this Pooling Schedule 5, qualified as local capacity area resources that the NCPA Capacity Pool participants will rely upon to satisfy the NCPA Capacity Pool participants aggregate allocated responsibility for procurement of local capacity area resources determined pursuant to the CAISO Tariff. The NCPA Capacity Pool participant's allocated responsibility for procurement of local capacity area resources is based on the NCPA Capacity Pool participant's proportionate share of the Transmission Access Charge ("TAC") area load at the time of the CAISO's annual coincident peak demand set forth in the annual peak demand forecast for the next applicable compliance period, as determined by the California Energy Commission ("CEC"). Those local capacity area resources identified within the annual local area capacity resource adequacy demonstration will count towards the NCPA Capacity Pool participants overall system capacity requirements in

addition to meeting the NCPA Capacity Pool participant's local resource adequacy requirements.

3.4 Submission of Annual and Monthly Resource Adequacy Supply Plans. A Load Following Metered Subsystem LSE is not required, pursuant to the CAISO Tariff, to provide the CAISO with annual and monthly resource adequacy Supply Plans for resource adequacy qualifying capacity that is used to meet its own system and local area resource adequacy compliance obligations. To the extent that a Load Following Metered Subsystem LSE provides resource adequacy qualifying capacity to a reserve sharing Load Serving Entity or a modified reserve sharing Load Serving Entity, its Scheduling Coordinator is required to provide the CAISO with annual and monthly resource adequacy Supply Plans for this quantity of resource adequacy qualifying capacity. As a result, NCPA will submit annual and monthly resource adequacy Supply Plans to the CAISO on behalf of the NCPA Capacity Pool participants (if required), on a schedule and in a format set forth in the CAISO Tariff and the CAISO business practice manual for reliability requirements. Both the annual and monthly resource adequacy Supply Plans shall include a listing of the NCPA Capacity Pool participant's commitments to provide resource adequacy qualifying capacity to any reserve sharing Load Serving Entity or modified reserve sharing Load Serving Entity for the applicable compliance period.

Section 4. **Demand Forecast.** Pursuant to the CAISO Tariff, the NCPA Capacity Pool Resource Adequacy Program, as established in this Pooling Schedule 5, shall utilize the monthly coincident peak demand determination provided by the CEC for the applicable compliance period, which are based on demand forecast data ("Demand Forecast") submitted to the CEC by the NCPA Capacity Pool participants, or, if the CEC does not produce a monthly coincident peak demand determination for the NCPA Capacity Pool participants, the monthly coincident peak demand determination produced by the CAISO for the applicable compliance period for the NCPA Capacity Pool participants in accordance with the CAISO Tariff and the applicable business practice manual, using Demand Forecast data submitted to the CAISO by the NCPA Capacity Pool participants. The monthly coincident peak demand determination developed and provided by either the CEC or the CAISO are coincident with the CAISO monthly system peak demand forecast for the applicable compliance period. If the CEC or the CAISO fail to produce a monthly coincident peak demand determination for the NCPA Capacity Pool participants, the monthly coincident peak demand determination that will be used for resource adequacy compliance in this Pooling Schedule 5 shall be equal to the sum of each NCPA Capacity Pool participant's share of the NCPA Pool's monthly coincident peak

Demand Forecasts for the applicable compliance period irrespective of the CAISO system coincident peak.

Section 5. **Planning Reserve Margin.** Each NCPA Capacity Pool participant shall maintain an amount of resource adequacy qualifying capacity, as described in this Pooling Schedule 5, equal to no less than one-hundred fifteen percent (115%) of the NCPA Capacity Pool participant's peak hourly Demand Forecast for the applicable compliance period. The resulting fifteen percent (15%) capacity reserve margin which is in excess of the NCPA Capacity Pool participant's peak hourly Demand Forecast, for the applicable month, is referred to as the planning reserve margin within this Pooling Schedule 5.

Section 6. **CAISO Authority to Dispatch Generation Facilities.** As a Load Following Metered Subsystem Entity, each NCPA Capacity Pool participant is only required to comply with a limited set of provisions contain within the CAISO Tariff, and is not required to make available its resource adequacy qualifying capacity used to meet its capacity reserve requirements to the CAISO for dispatch in the day-ahead or real-time market. However, the CAISO has authority to dispatch each Participant's resource adequacy qualifying capacity used to meet its capacity reserve requirements pursuant to the terms of the MSS Agreement.

Section 7. **Resource Adequacy Qualifying Capacity Rules and Criteria.**

7.1 Resource Adequacy Qualifying Capacity. Resource adequacy qualifying capacity shall be the quantity of capacity from a resource, stated in megawatts ("MW"), which is listed within the resource adequacy system and local area capacity demonstration. Resource adequacy qualifying capacity is the megawatt quantity of capacity from resources, as calculated using the qualifying capacity rules and criteria, that is used for resource adequacy compliance. The rules and criteria for determining the type of resources that may be eligible to provide resource adequacy qualifying capacity and for calculating the quantity of resource adequacy qualifying capacity provided from eligible resource types is documented within this Pooling Schedule 5. Once calculated, the resource adequacy qualifying capacity will be provided to the CAISO to be used to verify compliance against submitted resource adequacy compliance demonstrations.

7.2 Qualifying Capacity Rules and Criteria by Eligible Resource Type. The types of resources specified in this Pooling Schedule 5 will be eligible to provide resource adequacy qualifying capacity to the extent that they meet the criteria for each type of resource set forth in this Pooling Schedule 5. Net Dependable Capacity ("NDC") terms defined by NERC Generating Availability Data System ("GADS") information will be used to determine the resource adequacy qualifying capacity of some of the resource types identified in this Pooling Schedule 5. For the purpose of this Pooling Schedule 5, NDC is equal to

Gross Dependable Capacity ("GDC") less the unit capacity utilized for unit station service or auxiliaries. GDC is equal to Gross Maximum Capacity ("GMC") modified for seasonal limitations over a specified period of time. GMC is the maximum capacity a unit can sustain over a specified period of time when not restricted by seasonal or other deratings.

7.2.1 NCPA System. As defined in the MSS Agreement, the NCPA System means all transmission and distribution facilities owned or controlled by the NCPA Capacity Pool participants, and all generating units within the CAISO balancing authority area owned or controlled by the NCPA Capacity Pool participants or any individual NCPA Capacity Pool participant or combination of NCPA Capacity Pool participants.

7.2.2 Jointly-Owned Facilities. A jointly-owned facility must either be identified in Schedule 14 of the MSS Agreement, located within the NCPA System, a Participating Generator, a System Resource, or a Qualified Facility to be considered resource adequacy qualifying capacity. The resource adequacy qualifying capacity for the entire facility will be determined based on the type of resource as described below in this Pooling Schedule 5. The NCPA Capacity Pool participant's entitlement to the resource adequacy qualifying capacity of the facility may encompass the entire resource adequacy qualifying capacity of the facility, or may be

limited to a portion of the resource adequacy qualifying capacity of the facility. The total amount of resource adequacy qualifying capacity that may be identified in the system and/or local area capacity compliance demonstration is limited to the total jointly-owned facility resource adequacy qualifying capacity determined in this Pooling Schedule 5.

7.2.3 Thermal Resources. Thermal generating facilities must either be identified in Schedule 14 of the MSS Agreement, located within the NCPA System, a Participating Generator, a System Resource, or a Qualified Facility to be considered resource adequacy qualifying capacity. The resource adequacy qualifying capacity of thermal facilities will be based on Net Dependable Capacity as defined in this Pooling Schedule 5.

7.2.4 Hydroelectric Resources. Hydroelectric generating facilities must either be identified in Schedule 14 of the MSS Agreement, located within the NCPA System, a Participating Generator, a System Resource, or a Qualified Facility to be considered resource adequacy qualifying capacity. The resource adequacy qualifying capacity of a pond or pumped storage hydroelectric facility will be based on Net Dependable Capacity as defined in this Pooling Schedule 5, minus variable head de-rate based on current reservoir levels with average year forecasted inflows. The resource adequacy qualifying capacity of a run-of-river hydroelectric facility

will be based on Net Dependable Capacity as defined in this Pooling Schedule 5, minus actual or forecasted conveyance flow, stream flow, or canal head de-rate.

7.2.5 Unit-Specific Contracts. Unit-specific contracts will fully qualify as resource adequacy qualifying capacity. The generating facility identified in the contract must either be identified in Schedule 14 of the MSS Agreement, located within the NCPA System, a Participating Generator, a System Resource, or a Qualified Facility to be considered resource adequacy qualifying capacity.

7.2.6 Firm Energy Contracts. Firm energy contracts which contain provisions to ensure reliable physical delivery of energy and that contain provisions identifying non-delivery as a default condition subject to contract suspension and/or termination, and that does not require the seller to source the energy from a particular unit, but specifies a delivery point internal to the CAISO balancing authority area will fully qualify as resource adequacy qualifying capacity.

7.2.7 Industry Standard Contracts with Damages Provisions. Industry standard contracts with damages provisions as generally reflected in Service Schedule C of the Western System Power Pool Agreement or the Firm LD product of the Edison Electric Institute pro forma Master

Agreement, or any other similar firm energy contract that does not require the seller to source the energy from a particular unit, but specifies a delivery point internal to the CAISO balancing authority area will qualify as resource adequacy qualifying capacity until a commercially available industry standardized capacity based product is readily available, and which is provided under an agreement similar to the Western System Power Pool Agreement or the Edison Electric Institute pro forma Master Agreement.

7.2.8 Wind and Solar Resources. The resource adequacy qualifying capacity of wind and solar generating facilities, with backup sources of generation, will be based on Net Dependable Capacity as defined in this Pooling Schedule 5. The resource adequacy qualifying capacity of wind and solar facilities, without backup sources of generation, will be based on their monthly historic noon to 6:00 p.m. capacity factor, using a three-year rolling average. Wind and solar generating facilities without backup sources of generation which do not have three years of historic performance data will be assigned a default resource adequacy qualifying capacity value for each year of missing historical performance as follows:

(i) the resource adequacy qualifying capacity of a solar or wind generator with historic data located in the same weather regime with similar

technology adjusted for the nameplate capacity ratio of a new generator and the similarly situated proxy generator; or

(ii) if historical data of a solar or wind generator located in the same weather regime with similar technology is not available, then historic performance data from the monthly average production factors of all units (wind or solar) within the TAC Area in which the generator is located will be utilized.

The default resource adequacy qualifying capacity values will be replaced on a year-by-year basis with actual performance data as the data becomes available to form a three year rolling average.

7.2.9 Geothermal Resources. Geothermal generating facilities must either be identified in Schedule 14 of the MSS Agreement, located within the NCPA System, a Participating Generator, a System Resource or a Qualified Facility to be considered resource adequacy qualifying capacity. The resource adequacy qualifying capacity of a geothermal facility will be based on Net Dependable Capacity as defined in this Pooling Schedule 5, adjusted for steam field degradation.

7.2.10 Participating Loads. Participating Loads must either be identified in Schedule 14 of the MSS Agreement or located within the NCPA System to be considered resource adequacy qualifying capacity. Participating Loads must be available at least 48 hours during the five

summer months (May – September) to be counted in a system and/or local area resource adequacy compliance demonstration as resource adequacy qualifying capacity. If Participating Loads are available for the minimum requirement, the stipulated megawatt ("MW") quantity reduction in demand will be treated as supply and be eligible to be listed as resource adequacy qualifying capacity.

7.2.11 Dispatchable Demand Response. Dispatchable Demand resources must either be identified in Schedule 10B of the MSS Agreement or located within the NCPA System to be considered resource adequacy qualifying capacity. Dispatchable Demand resources must be available at least 48 hours during the five summer months (May – September) to be counted in a system and/or local area resource adequacy compliance demonstration as resource adequacy qualifying capacity. If a Dispatchable Demand resource is available for the minimum requirement, the megawatt ("MW") quantity reduction stipulated in the contract or program will be treated as supply and be eligible to be listed as resource adequacy qualifying capacity.

7.2.12 Non-Dynamically Scheduled System Resources (Imports). The resource adequacy qualifying capacity of Non-Dynamically Scheduled System Resources to which the NCPA Capacity Pool participants

have an entitlement shall be the amount of the NCPA Capacity Pool participant's entitlement, measured in megawatts ("MW").

7.2.13 Dynamically Scheduled System Resources (Imports). The resource adequacy qualifying capacity of a Dynamically Scheduled System Resource to which the NCPA Capacity Pool participants have an entitlement shall be the amount of the NCPA Capacity Pool participant's entitlement. Eligibility as resource adequacy qualifying capacity is contingent upon the NCPA Capacity Pool participants securing transmission through any intervening balancing authority areas for the resource entitlement that cannot be curtailed for economic reasons or trumped by higher priority transmission.

Section 8. Compliance and Enforcement. Once the CAISO has received the system and/or local area capacity compliance demonstrations submitted by NCPA on behalf of the NCPA Capacity Pool participants, acting as Scheduling Coordinator ("SC"), the CAISO will verify that the NCPA Capacity Pool participants have procured sufficient resource adequacy qualifying capacity to comply with the planning reserve margin established in this Pooling Schedule 5, and any requirements established by the applicable authority(s) of competent jurisdiction. To the extent the system and/or local area capacity demonstrations do not include sufficient resource adequacy qualifying capacity to satisfy the

planning reserve margin and/or local area capacity requirements, or in the case of a mismatch between information included in the compliance demonstration and the resource adequacy Supply Plan submitted by the Scheduling Coordinator of a resource identified in the NCPA Capacity Pool participant's compliance demonstration, the CAISO will notify NCPA and attempt to resolve the issue. If NCPA is notified by the CAISO that the system and/or local area capacity demonstrations do not satisfy a participant's respective compliance requirements due to an identified deficiency, disqualified capacity and/or other reasons identified by the CAISO, NCPA will promptly notify those participants affected by such notice. NCPA will coordinate with the participants affected by such notice to identify the source of the discrepancy, and will supplement and/or revise the system and/or local area capacity compliance demonstrations submitted to the CAISO if such revision is required pending analysis of the compliance discrepancy identified by the CAISO. In the event that NCPA is unable to resolve the identified issue in coordination with those affected participants, the CAISO will notify the NCPA Capacity Pool participant's applicable authority(s) of competent jurisdiction and/or the Commission of the potential deficiency.

Once the NCPA Capacity Pool participant's applicable authority(s) of competent jurisdiction and/or the Commission is informed of the identified

deficiency and confirms that the NCPA Capacity Pool participant's system and/or local area capacity compliance demonstration is deficient, then the NCPA Capacity Pool participant's applicable authority(s) of competent jurisdiction and/or the Commission may determine if and how the deficiency will be resolved. If the CAISO identifies a mismatch between the information included in the NCPA Capacity Pool participant's system and/or local area capacity compliance demonstration and a resource adequacy Supply Plan submitted by the Scheduling Coordinator of a resource identified in a compliance demonstration, and the identified mismatch is not resolved prior to the 10th day before the effective month during the applicable compliance period, then the CAISO will accept the value contained in the Supply Plan to set the resource adequacy qualifying capacity value for the applicable compliance period.

If the NCPA Capacity Pool participant's applicable authority(s) of competent jurisdiction and/or the Commission requires the NCPA Capacity Pool participant to resolve an identified deficiency in the system and/or local area capacity compliance demonstration, and the NCPA Capacity Pool participant has not resolved the identified deficiency, then the NCPA Capacity Pool participant must provide an explanation as to why the identified deficiency has not be resolved to its applicable authority(s) of competent jurisdiction and/or the Commission. The NCPA Capacity Pool participant may incur penalties or other

sanctions adopted by the applicable authority(s) of competent jurisdiction and/or the Commission for failure to cure the deficiency. NCPA, acting as Scheduling Coordinator, is required to report to the CAISO within thirty (30) days of any action taken by the applicable authority(s) of competent jurisdiction and/or the Commission in response to the deficiency notification if the applicable authority(s) of competent jurisdiction and/or the Commission does not provide public access to records or information regarding action taken for violations of the NCPA Capacity Pool resource adequacy policies or rules.

POOLING SCHEDULE 6

PRINCPLES FOR SALE OF POOL EXCESS ENERGY

There may exist from time to time, situations wherein the Pool will have energy in amounts that exceed the combined load of the Participants. This situation can occur for example, when there are substantial amounts of unregulated flow from hydroelectric projects, take-or-pay power purchase contracts, and/or must-run resources, or when economic circumstances dictate that it is beneficial to operate resources that would otherwise not be required to meet load. The following principles are intended as general guidelines for NCPA to follow in dealing with an "excess energy" condition. Excess energy can be sold using bilateral transactions or through organized market mechanisms, including but not limited to, the CAISO day-ahead and real-time energy markets, an interchange transaction (exported out of the CAISO balancing authority area), bilaterally to Third Parties or among Participants. NCPA will operate generating plants, associated facilities and other resources in accordance with the following principles:

(i) in compliance with the obligations and constraints of governing contracts, the applicable licenses and permits, and the physical requirements of the equipment/facilities;

(ii) to appropriately and reliably interact with the associated balancing authority, including the CAISO; and

(iii) to maximize the economic value to Project Participants of NCPA Projects.

POOLING SCHEDULE 7

ECONOMIC DISPATCH, SCHEDULING AND OPERATION OF RESOURCES

Section 1. **Economic Dispatch, Scheduling and Operation of Resources.** In accordance with Section 7 of this Agreement, each Participant shall make available all of its generating units, purchases from Third Parties, and associated transmission to the central dispatch of NCPA to the fullest extent possible. The objective of Pool central dispatch shall be to supply the capacity and energy requirements of the Participants at the lowest practicable net cost, and to accomplish this in a reliable and safe manner, and in compliance with applicable regulations and agreements. Resources of the Participants shall be scheduled and dispatched to meet the combined load for each time period as deemed applicable according to balancing authority standards and Good Utility Practice, as appropriate. Schedules may be affected by a variety of factors, including plant outages, changes in available transmission, unanticipated load changes, relative costs, and economic conditions in the marketplace.

NCPA shall be provided with information from the Participants, and appropriate NCPA departments regarding the capability, operating criteria and incremental variable cost for the resources to be dispatched. This information will include heat rate curves and fuel costs for each thermal electric unit,

transmission losses associated with each resource, and variable operation and maintenance costs from which incremental cost rate curves will be developed. NCPA shall utilize this information to optimally schedule the operation of the Pool's resources, acting on behalf of the Participants as an Operating Entity, in accordance with requirements as reflected in the CAISO Tariff, the MSS Agreement, the Pooling Schedules, the Amended and Restated Facilities Agreement, other applicable Project Agreements and Commission policy, with the objective to minimize the overall cost to the Pool to the fullest extent possible, and to maximize the value of the resources for the applicable resource participants, while respecting project limitations and requirements. Economic considerations should include seasonal, weekly, and hourly operating variations and flexibility as appropriate. Details regarding the process used by NCPA to schedule and dispatch Participant resources are documented in the SCPA.

1.1 Thermal Electric Resources. Thermal electric resources shall be scheduled and operated in coordination with hydroelectric resources, geothermal resources and other resources to minimize the overall cost to the Pool to the fullest extent possible, and to maximize the value of thermal electric resources for the applicable project participants. In general, the operating cost of thermal electric units which are in service to supply a specified load level is minimized when the Incremental Costs of all partially-loaded units are equal.

Full or partial unit commitments and/or shutdowns shall be undertaken with due consideration to this principle and in compliance with applicable NERC and WECC reliability standards, operating criteria, operating requirements as reflected in the CAISO Tariff, operating requirements as reflected in the MSS Agreement, constraints, Pooling Schedules, the Amended and Restated Facilities Agreement, the SCPA and other applicable Project Agreements. Thermal electric resources may be used to supply energy, capacity and other attributes, contingent upon the physical capability of the resource and associated fuel supply.

1.2 Hydroelectric Resources. Hydroelectric resources shall be scheduled and operated in coordination with thermal electric resources, geothermal resources and other resources to minimize the overall cost to the Pool to the fullest extent possible, and to maximize the value of hydroelectric resources for the applicable project participants. Hydroelectric resources will be scheduled and operated to comply with applicable NERC and WECC reliability standards, operating criteria, operating requirements as reflected in the CAISO Tariff, operating requirements as reflected in the MSS Agreement, constraints, Pooling Schedules, the Amended and Restated Facilities Agreement, the SCPA and other applicable Project Agreements. Hydroelectric resources may be used to supply energy, capacity and other attributes, contingent upon the physical

capability of the resource and associated fuel supply. NCPA will strive to maximize the value of hydroelectric resources by utilizing limited fuel supplies during optimal periods.

1.3 Geothermal Resources. Geothermal resources shall be scheduled and operated in coordination with thermal electric resources, hydroelectric resources and other resources to minimize the overall cost to the Pool to the fullest extent possible, and to maximize the value of geothermal resources for the applicable project participants. Geothermal resources will be scheduled and operated to comply with applicable NERC and WECC reliability standards, operating criteria, operating requirements as reflected in the CAISO Tariff, operating requirements as reflected in the MSS Agreement, constraints, Pooling Schedules, the Amended and Restated Facilities Agreement, the SCPA and other applicable Project Agreements. Geothermal resources may be used to supply energy, capacity and other attributes, contingent upon the physical capability of the resource and associated fuel supply.

1.4 Other Resources. All other resources, including but not limited to purchase power agreements, landfill resources, wind resources and transmission assets made available to the central dispatch of NCPA shall be scheduled and operated in coordination with thermal electric resources, hydroelectric resources and geothermal resources to minimize the overall cost to the Pool to the fullest

extent possible, and to maximize the value of the resources for the applicable Project Participants. All other resources will be scheduled and operated to comply with applicable NERC and WECC reliability standards, operating criteria, operating requirements as reflected in the CAISO Tariff, operating requirements as reflected in the MSS Agreement, constraints, Pooling Schedules, the Amended and Restated Facilities Agreement, the SCPA and other applicable Project Agreements. Other resources may be used to supply energy, capacity and other attributes, contingent upon the physical capability of the resources and associated fuel supply.

POOLING SCHEDULE 8

POOL SETTLEMENT AND ACCOUNTING METHOD

Participants' power supply, load, and other entitlements are scheduled in the CAISO markets as an aggregate Pool portfolio. Therefore, after such schedules are awarded and settled by the CAISO, NCPA must allocate the results to each Participant using the guidelines included in this Pooling Schedule 8, and as further documented in the SCPA. Scheduling Pool Participant's power supply, load, and other entitlements under an aggregated Pool portfolio provides joint benefits that are shared among the Participants.

Section 1. **Pool Settlement and Accounting Method.** The Pool is operated in a balanced manner in accordance with requirements of the CAISO Tariff and the MSS Agreement. NCPA purchases energy in the bilateral market to supplement its generation portfolio, and schedules power purchases that have been directly made by the Participants. Each Participant is responsible for its own costs of generation and for its settlement for energy provided by counterparties in accordance with each Participant's power purchases or sales contracts.

Since all day-ahead schedules must be transacted through the CAISO day-ahead market, and the CAISO day-ahead locational marginal price ("LMP") reflects the price of any scheduled energy at its delivery point, the CAISO LMP prices calculated in the day-ahead market are the appropriate prices to use for

individual Participant purchases and sales in the day-ahead market timeframe. Day-ahead schedules means schedules submitted into the CAISO day-ahead market (otherwise known as the "Integrated Forward Market").

Real-time dispatch instructions from the CAISO to a specific generator, where the energy is intended to be delivered directly to the CAISO, or under conditions when a plant trips, will be subject to settlement compensated at the applicable resource-specific CAISO real-time LMP.

In the Pool, all post day-ahead market energy, except that day-ahead market energy listed in Section 6 of Appendix B of the SCPA, will be settled at the CAISO day-ahead LMP. Post day-ahead market transactions means schedules submitted into the CAISO hour-ahead scheduling process ("HASP") for delivery in real-time and/or operational adjustments. This includes uninstructed energy and load following energy associated with Pool load, imports and exports, and the Participant's Project Participation Percentage share of NCPA Projects. This also includes the settlement of HASP imports and exports, and any real-time imports or exports. Instructed energy, and other energy delivered to the CAISO in real-time, will continue to be settled at the CAISO real-time LMP.

This settlement method is a variation to the pre Market redesign and Technology Upgrade ("MRTU") practice of using the "Pool MCP" applied to

uninstructed energy, and is intended for the primary purpose to make load following resources indifferent to the magnitude and direction of movement in real-time and associated CAISO real-time LMP. Additionally, the CAISO day-ahead LMP will apply to uninstructed energy so that every Participant load and resource will be subject to the CAISO real-time LMP only to the extent and in proportion with the MSS Agreement net deviation settlement with the CAISO.

When NCPA load follows, or substitutes one resource for another resource in the real-time market, those changes from the day-ahead market energy schedule are generally settled with the CAISO as uninstructed energy. Under MRTU load following energy is explicitly classified and settled as a form of CAISO instructed energy. Due to the load following deviation band, there is the expectation within the MSS Agreement that the positive and negative deviations and load following energy will offset one another, on average. Therefore the MSS Agreement as a whole is only subject to the CAISO real-time LMP for the net of all deviations, which is normally within a three percent (3%) bandwidth.

This pricing methodology will allow each resource, particularly those with output levels adjusted in real-time for load following purposes, to be shielded from the volatility of the CAISO real-time LMP. This does not necessarily mean a reduction in cost when comparing the CAISO real-time LMP

to the CAISO day-ahead LMP because the settlement effect depends on whether the CAISO real-time LMP is greater or less than the CAISO day-ahead LMP. It does mean that all energy within the Pool will be transacted using the same CAISO day-ahead LMP for market energy, whether scheduled in the day-ahead market timeframe or not.

The resulting settlement will be a difference between the dollars settled for instructed and uninstructed energy within the Pool, and the corresponding Pool settlement with the CAISO. The amount of this difference should be relatively small due to NCPA's MSS Agreement operation within the deviation band for the Pool and the result of offsetting deviations, both positive and negative, such that the total net deviation is small. For NCPA to maintain revenue neutrality with the CAISO, this difference must then be allocated as an uplift charge/payment on all MWhs scheduled with the CAISO by the Pool that might be subject to uninstructed energy, MSS Agreement generation, load, imports and exports.

Incremental obligations on the MSS Agreement resources by the CAISO in real-time due to a bid to provide a specific ancillary service or optimal energy are allocated to the project participants according to their bids. An exceptional dispatch is allocated by NCPA Project ownership shares.

Section 2. **Allocation of Uplift Charges and Payments.** As described in this Pool Schedule 8, there will be an hourly Pool uplift settlement amount to ensure Participants are made whole for the difference between the Pool settlement at CAISO day-ahead LMP under NCPA charge code 9919, and the CAISO settlement at CAISO real-time LMP in charge codes 6470 and 6475. Special exceptions will be made for Participant specific situations that are not related to normal load following activities. The uplift settlement will be accounted for in NCPA charge code 9920 as follows:

(i) Pool 9920 Uplift = (Pool 9919 MWh * Pool 9919 Price) – (Pool 6470 MWh * Pool 9919 Price) – (Pool 6475 MWh * DA LMP)

The 9920 uplift amount will be allocated to Participants in the All Resources Bill according to the sum of the absolute values of the MWh quantities of the following:

(i) Participant metered load;

(ii) Participant share of metered generation, where metered generation refers to the energy allocation determined in Appendix B of the SCPA;

(iii) Participant share of final import and export schedules; and

(iv) Participant participation in real-time ESP trades and inter-sc trades.

Section 3. **Procedure for Allocating Pool and Third Party Transactions.** This section outlines the procedure for allocating among the Participants' power transactions with Third Parties. This section also outlines the procedure for allocating transmission use among Participants. This procedure is intended to cover all Pool energy and capacity transactions. It will be amended and revised in the future as markets change, or in response to new types of transactions that are not covered by this document.

3.1 Energy and Capacity Transaction Allocations. Energy and capacity transactions from sources outside of the Pool will be categorized as either "Pre-month" or "In-month" transactions. Pre-month transactions are defined to be sales or purchases scheduled prior to the calendar month covered by the transaction. All other transactions are defined to be In-month transactions. The Pool will execute Pre-month power transactions only as explicitly authorized and directed by one or more Participant. Each Pre-month transaction will be formally communicated to each Participant as specified by NCPA's procedures and policies.

In-month transactions, including daily and hourly pre-scheduled and real-time energy purchases and sales, are executed by NCPA based solely on its judgment. In-month transactions that do not require the California Oregon Transmission Project ("COTP") or South of Tesla ("SOT") transmission capacity

to consummate, or do not have pre-established ownership rights or other rationale for direct allocation, will be allocated based on need. Two sets of allocators will be developed, one for pre-schedule transactions and the other for intra-day transactions. Pre-schedule transactions means transactions consummated prior to the active day. Intra-day transactions means transactions consummated within the active day but prior to actual delivery. Active day means the period in which energy is generated and/or delivered. All pre-schedule and intra-day transactions are treated as in-month transactions. The allocators will be developed after the fact.

Pre-schedule allocators will be created for the hourly resource balance of each Participant. A Participant's resource balance will be calculated from the Participant's pre-schedule forecast and its allocation of resources, pre-month and balance of month deals. If the pre-schedule deal is a purchase, the purchase will be allocated only to those Participants whose resource balance is short, in proportion to each Participant's share of the collective Pool short position. If the pre-schedule deal is a sale, the sale will be allocated only to those Participants whose resource balance is long, in proportion to each Participant's share of the collective Pool long position. If the pre-schedule deal is a purchase, and no Participants' resource balance are short during any hour of the relevant purchase, for such hour(s) the purchase will be allocated to the Participants

based on their pro-rata share of the Pool pre-scheduled load forecast. If the pre-schedule deal is a sale, and no Participants' resource balance are long during any hour of the relevant purchase, for such hour(s) the sale will be allocated to the Participants based on their pro-rata share of the Pool pre-scheduled load forecast. Short in this context means demand is greater than supply, and long means demand is less than supply. A majority of pre-schedule deals are purchased in standard block deliveries (e.g. on-peak, super-peak, off-peak or 7x24 blocks). The value of energy is different for each hour of the day, and on average the value of on-peak energy is greater than off-peak energy. For those pre-schedule deals that have a fixed price for the duration of the delivery period, the hourly price will be mathematically reshaped to reflect the value of such transactions during different periods and hours of the transactions using the CAISO day-ahead market NP15 existing zone trading hub LMP prices (commonly referred to as the NP15 EZ Gen Hub LMP) as the basis for shaping.

Intra-day allocators will be created from the hourly resource balance of each Participant. A Participant's intra-day resource balance will be calculated as the summation of its uninstructed deviations in schedules. If the intra-day transaction is a purchase, the purchase will be allocated only to those Participants whose resource balance is short, in proportion to each Participant's share of the collective Pool short position. If the intra-day transaction is a sale,

the sale will be allocated only to those Participants whose resource balance is long, in proportion to each Participant's share of the collective Pool long position. Any intra-day transaction for which an hourly allocator cannot be calculated, based on the Participants' intra-day resource balance, will be allocated to the Participants based on their respective share of the hourly "Load Volatility Index". Short in this context means demand is greater than supply, and long means demand is less than supply. The value of energy is different for each hour of the day, and on average the value of on-peak energy is greater than off-peak energy. For those Intra-day transactions that have a fixed price for the duration of the delivery period, the hourly price will be mathematically reshaped to reflect the value of such transactions during different periods and hours of the transactions using the CAISO day-ahead market NP15 existing zone trading hub LMP prices (commonly referred to as the NP15 EZ Gen Hub LMP) as the basis for shaping.

In-month transactions, including both pre-schedule and intra-day transaction, that require COTP or SOT capacity will be allocated in proportion to each Participant's hourly ownership of unused transmission capacity on the COTP or SOT, respectively. Unused transmission capacity shall be determined by subtracting pre-allocated transactions only from the Participant's share of available transmission. In-month transactions that require buy-back of COTP

capacity from the TANC OASIS will be based upon Participant share of uncommitted use as a function of the line rating at the time of the transaction. In-month transactions that use committed load following transmission capacity will be based upon monthly capacity shares. COTP capacity shares shall be determined as follows:

(i) COTP Capacity Shares -- Monthly, Weekly, Daily, and Hourly Time Frames (T) = Participant Remaining Capacity $(MW)_T$ / Σ (Participants Remaining Capacity $(MW)_T$

Participant resource commitments that require transmission capacity to be completed will be deducted from the Participant's hourly unused transmission capacity only if the transmission is actually used by the resource in real-time. For example, the full Participant Entitlements of the Seattle City Light Exchange Agreement will count against a Participant's unused COTP transmission capacity only if energy actually is transmitted over the COTP.

Section 4. **<u>Allocation of Balance of Month ("BOM") Energy Transactions.</u>** Balance of Month ("BOM") energy transactions are typically purchases or sales contracts where the term of the transaction extends from the next scheduling day until the end of the current or next succeeding calendar month. For the purpose of this Agreement, the definition of BOM will include all transactions with terms

that are longer than the normal daily pre-schedule transactions and are completely contained within the current or next succeeding calendar month.

NCPA will monitor Participant energy balances within the current month to identify significant energy imbalances that, in the sole judgment of NCPA, need to be corrected with the execution of a BOM energy transaction. Energy balances may change significantly within a month due to various unexpected developments, including changes in hydrologic conditions or resource availability. NCPA will fully consider projections of prospective energy market and resource conditions in determining the need to execute a BOM transaction.

NCPA will allocate each BOM energy transaction fully at the time the transaction is executed on the basis of need to reduce energy imbalances for the current month. NCPA will execute BOM energy transactions only for the purpose of reducing energy cost risk represented by energy imbalances.

Whenever possible, NCPA will consult each Participant prior to implementing BOM energy transactions. NCPA staff may execute a transaction without such consultation if, in the sole judgment of NCPA staff, there is a compelling reason to act immediately. Participants will be notified of their participation shares in BOM transactions without delay.

An individual Participant may execute its own BOM energy transactions to be scheduled by the Pool only with the express prior review and consent of

NCPA. NCPA shall review the proposed transaction to determine its utility towards balancing the Participant's energy balance for the month. Such consent shall be withheld only if NCPA staff determines that the BOM transaction proposed by the Participant is unlikely to reduce a significant energy imbalance. NCPA staff will consult the requesting Participant as soon as possible after a determination is made so that the Participant may execute the BOM energy transaction if consent is granted, or take corrective action if consent was withheld by NCPA staff.

Section 5. **Transactions Using Buy Back of Pool Posted COTP Transmission.** In the day-ahead and real-time scheduling time frame NCPA will buy back Pool COTP capacity that has been posed on the Transmission Agency of Northern California ("TANC") OASIS to effect transactions that will provide net value to the owners of the COTP. The costs and benefits of the transaction and the COTP buy back will be allocated using COTP Capacity Shares as derived in this Pooling Schedule 8.

Section 6. **Hourly Transmission Allocations and Transfers.** The Pool will automatically implement hourly transfers of transmission capacity for Participants whose resource commitments over a transmission path exceed their transmission entitlements. The price of these transmission transfers, which will be determined after-the-fact during the preparation of the monthly All Resources

Bill, will equal the positive difference between the applicable hourly CAISO day-ahead LMP's for the points of delivery and receipt of the transmission path. The transfer price will equal zero if the difference is less than zero. The hourly transmission balance (deficits and surpluses) will be computed based on the actual energy flow on the line. Participants with surplus transmission capacity will sell their unused/surplus transmission on an hourly basis in proportion to the surplus amounts.

Section 7. **Procedure for Allocating Cost and Benefits of Ancillary Services.** NCPA shall allocate the costs and benefits of purchasing and/or sales (including self-provision) of ancillary services in accordance with the SCPA.

POOLING SCHEDULE 9

TRANSMISSION

Section 1. **Interconnection Agreements.** Interconnection of Participant's electric systems to the balancing authority area is provided for under the terms and conditions of the Interconnection Agreement between NCPA, Pacific Gas and Electric Company ("PG&E"), and certain Members.

Section 2. **Transmission Service.** High voltage and low voltage transmission service is provided in accordance with the CAISO Tariff. Charges for high voltage and low voltage transmission service provided by the CAISO shall be allocated to Participants in accordance with the SCPA.

Section 3. **Transmission Resources.**

(i) California Oregon Transmission Project ("COTP")

The California Oregon Transmission Project ("COTP") is the third leg of an intertie system connecting California with the Pacific Northwest. The Participant's project ownership participation percentages are as stated in Table A below. The Participant project ownership participation percentages reflected in this Pooling Schedule 9 may be modified by layoff agreements between Participants, or between Participant(s) and Third Parties.

Table A

COTP Project Ownership Participation Percentages

North-to-South Directional

Project Participant	COTP Capacity North-South (MW)	COTP Ownership Percentage (%)	COTP Pool Percentage (%)
Alameda	16.7141	1.227%	16.140%
Healdsburg	3.3453	0.246%	3.230%
Lodi	26.1511	1.920%	25.254%
Lompoc	2.5396	0.187%	2.453%
Palo Alto	50.1422	3.682%	48.420%
Plumas Sierra	2.0146	0.148%	1.945%
Ukiah	2.6489	0.195%	2.558%
Total	**103.5558**	**7.603%**	**100.000%**

South-to-North Directional

Project Participant	COTP Capacity South-North (MW)	COTP Ownership Percentage (%)	COTP Pool Percentage (%)
Alameda	12.7871	1.227%	16.140%
Healdsburg	2.5593	0.246%	3.230%
Lodi	20.007	1.920%	25.254%
Lompoc	1.9429	0.187%	2.453%
Palo Alto	38.3614	3.682%	48.420%
Plumas Sierra	1.5413	0.148%	1.945%
Ukiah	2.0265	0.195%	2.558%
Total	**79.2255**	**7.603%**	**100.000%**

(ii) South of Tesla Transmission Service ("SOTP")

The South of Tesla Transmission Service ("SOTP"), an existing transmission contract, is long-term firm transmission service provided by contract between PG&E and Transmission Agency of Northern California ("TANC"), through which Participants can access the Southern California Edison transmission system. The Participant's project ownership participation percentages for the contracted service are contained in table B below. The Participant's project ownership participation percentages reflected in this Pooling Schedule 9 may be modified by layoff agreements between Participants, or between Participant(s) and Third Parties.

Table A

COTP Project Ownership Participation Percentages

Project Participant	SOTP Capacity (MW)	SOTP Ownership Percentage (%)	SOTP Pool Percentage (%)
Alameda	6.309	2.103%	40.341%
Healdsburg	0.711	0.237%	4.546%
Lodi	6.21	2.070%	39.708%
Lompoc	0.801	0.267%	5.122%
Plumas Sierra	0.699	0.233%	4.470%
Ukiah	0.909	0.303%	5.812%
Total	**15.639**	**5.213%**	**100%**

(iii) Other transmission resource transactions

NCPA shall assist the Parties in transacting bi-lateral agreements for the transfer of transmission resources. Participants who separately enter into bi-lateral transmission agreements shall notify NCPA operations prior to the time that the Agreement is effective.

Section 4. **Schedule of Transmission Use.** NCPA shall provide a schedule of transmission resource entitlements and transfers, and the cost of each in the monthly All Resources Bill.

Section 5. **Other Rights.** Transmission access does not preempt rights to generating resource, contract entitlements, ownership or any other rights, except to the extent authorized by the Party with such rights.

POOLING SCHEDULE 10

LOAD FOLLOWING COSTS AND ALLOCATIONS

Section 1. **Overview.** Load following capacity is needed to balance the Pool loads and resources pursuant to the MSS Agreement in each ten-minute settlement period. To enable load following in real-time, generation capacity must be withheld from the day-ahead energy and/or ancillary services markets. The amount of capacity withheld from the day-ahead markets to balance real-time ten-minute loads, after submission of all final schedules, will be referred to as total load following capacity. Total load following capacity can be divided into two types. Type 1 allows dispatch to follow the 10-minute deviations in load from their integrated hourly values. Type 2 allows for adjustments to integrated hourly deviation in load from its final schedule (i.e., forecast error). This Pool Schedule 10 deals with total load following capacity, its optimal amount, allocation, and pricing of its opportunity costs.

Much of this schedule is devoted to the Collierville hydroelectric project because it is the main resource used for load following by the Pool and Silicon Valley Power ("SVP"). Load following also includes uses of resource capacity in real time when that capacity was not scheduled in the day-ahead market. These resources include, but are not limited to, the gas units and the California Oregon Transmission Project ("COTP").

Whenever a resource is used to follow load it will incur a forgone revenue stream and/or additional energy costs for which the owners of the resource must be compensated. Within the All Resources Bill load following compensation will be determined in general conformance to this schedule, while allowing for changes in innovation and scheduling practices in the CAISO markets. This Pooling Schedule 10 will be update as required to reflect such changes.

Section 2. **Optimal Load Following Amount.** Statistical analysis of the Participants and SVP load variability has identified that the required amount of load following capacity varies by month and hour of the day. However, due to the dynamics of the market a more fluid approach in deriving load following capacity will be used. This approach will use a load following capacity baseline derived from statistical analysis of Pool and SVP operations. Then periodically, NCPA power management staff will decide on the optimal amount of load following capacity based on current market conditions, weather variability and resource reliability. The optimal amount of load following capacity will then be allocated between the Participants being balanced in real time and SVP based upon historically derived shares. Since SVP is a Metered Subsystem balancing entity, its load/resource balance will be monitored in real time and any SVP deviations that cause deviation penalties will be directly assigned to SVP. The

Pool is also a balancing entity and any Pool resource/load deviations that cause deviation penalties will be directly assigned to the Pool.

Section 3. **Allocation of the Pool's Load Following Capacity.** Every Participant needs load following capacity. There is no single Participant that has a perfectly flat load or one that can predict its load on a day-ahead or hour-ahead basis with absolute certainty. Moreover, the Pool's load following need will always be equal to or less than the sum of the Participant's load following need because of offsetting load characteristics. These offsets occur when the maximum and/or minimum ten-minute ramp periods within an hour are different for Participants within the Pool, and when their load forecast deviations offset. The offsets are analogous to coincident versus non-coincident peaks, creating for the purpose of load following, economies of scope and joint benefits to the members (i.e., the broader and more diverse load the greater the offsets). The amount of load following capacity will, however, vary both in absolute and relative terms by Participant. Given these characteristics, the Pool's share of load following capacity determined by NCPA power management staff will be allocated between Participants based upon their hourly load characteristics. This is referred to as a Participant's Load Volatility Index ("Load Volatility Index"). The hourly allocation of load following capacity will be based upon the following equations using actual data:

$$\textit{Load Volatility Index For Each Hour}_{(Participant\ i)} = \max(0, \textit{Highest Ten Minute Meter Value}_{(Participant\ i)} - \textit{Three Hour Ahead Forecast}_{(Participant\ i)}) + \max(0, \textit{Three Hour Ahead Forecast}_{(Participant\ i)} - \textit{Lowest Ten Minute Meter Value}_{(Participant\ i)})$$

$$\textit{Load Capacity Share}_{(Participant\ i)} = \textit{Load Volatility Index For Each Hour}_{(Participant\ i)} \div \sum_{(i = 1\ to\ n)} (\textit{Load Volatility Index For Each Hour}_{(Participant\ i)})$$

$$\textit{Allocated Load Following Capacity}_{(Participant\ i)} = \textit{Pool's Load Following Capacity} * \textit{Load Capacity Share}_{(Participant\ i)}$$

Section 4. **<u>Opportunity Cost of Load Following.</u>** Whenever generating capacity is reserved to load follow it cannot be scheduled into the CAISO's day-ahead ancillary services market or sold in the day-ahead energy markets. As such, the opportunity costs of load following consist of two components. The first is the net price of forgone ancillary services and energy sales in the day-ahead markets (e.g., Regulation Up Price less GMC). The second is the energy adjustment component that occurs when the unit is used for load following versus it being used when called upon by the CAISO.

4.1 <u>Forgone Capacity Price Component.</u> The forgone capacity price is derived as the weighted average net price of the day-ahead capacity and energy markets that the generation unit was pre-scheduled into. The Collierville generating units, for example, can be bid into the following markets: regulation

up, regulation down, spin, energy, and none. The forgone energy sale usually has a price of zero since the water can be stored for the next day.

4.2 Energy Adjustment Component. The energy cost adjustment component is needed because after the fact energy settlements will result when the unit is used to load follow, with the generator being paid the day-ahead and/or real-time locational marginal price ("LMP") for all energy. The energy adjustment accounts for the difference between: (i) the use of energy under load following and that in the market alternative(s), and (ii) the difference between the LMP value of the energy and the variable cost of the energy. Since the variable cost of a hydroelectric unit is different from that of a gas unit the energy adjustment component will be unit specific.

4.3 Hydroelectric Energy Cost. The variable cost component of a hydroelectric unit is its value of water ("VOW"), which may or may not be equal to its value of storage ("VOS"). For example if there is plenty of room for storage in the Spicer reservoir, but there is a large amount of runoff between Spicer and McKay then the value of Storage could be some positive amount while the value of water is zero (because such runoff cannot be stored).

Whether the energy adjustment is positive or negative depends upon whether the LMP is greater than or less than the hydroelectric unit's energy costs and whether load following will use more or less energy than that of the

foregone sales in the ancillary services/energy markets. Hydroelectric energy cost is defined as: *StoragePcnt*VOW*, where *StoragePcnt* is the percent of energy pulled from its reservoir. If natural flows are sufficient to allow for load following then the storage percent would be zero and the resulting energy adjustment cost of hydroelectric generation would be zero dollars. If natural flows were low and releases from storage were needed to load follow then the storage percent would be one (1) and the resulting energy cost would be the value of water. The storage percent is found by reviewing the DAM energy to determine if sufficient generation was scheduled to be able to load follow down. If the DAM energy award can support load following down then the storage percent will be zero; if not, the storage percent will be somewhere between zero and one.

(i) $Energy\ Cost = Storage\ Percent_{(Hour\ i)} * (Value\ of\ Water)$

4.4 Turbine Energy Costs. The energy costs of a combustion turbine are equal to its variable costs. That is, the plant's heat rate times the price of natural gas plus its variable operation and maintenance costs ("VOM") and startup costs less any CAISO avoided cost for internal generation.

(i) $Energy\ Cost = (Heat\ Rate * Natural\ Gas\ Price_{(Day\ d)}) + VOM + Startup\ Costs - Avoided\ CAISO\ Costs$

If however, the combustion turbine is energy limited, then its energy cost characteristics will include an element similar to that of a hydroelectric unit's VOW to reflect the time-of-use value.

4.5 <u>COTP Energy Costs.</u> The energy cost of COTP is the price of the contracted energy.

(i) *Energy Cost = Contract Energy Price* $_{(Hour\ hd)}$ *+ losses and associated scheduling fees.*

4.6 <u>Energy Adjustment for All Units.</u> The formula for the energy adjustment component of the opportunity cost of load following on a per MW basis for each hour of the day will be calculated in general conformance to:

$$Energy\ Adjustment_{(Hour\ h)} = \{ (EnergyCost - LMP) * LF_Energy - (EnergyCost - LMP) * AS_Energy \}_{(Hour\ h)}$$

where: *Energy Cost = Energy Cost* $_{(Resource\ r)}$
LMP = Locational Marginal Price
LF_Energy = energy used to load follow in real time.
AS_Energy = energy called by the CAISO in real time.

If the energy cost is greater than the LMP, and the energy used for load following is less than what would have been used in the ancillary services/energy markets, then by load following there is a net energy benefit to the owner of the load-following resource and thus the energy adjustment subtracts from the average net ancillary services/energy price. If more energy is use to load follow than what would have been used in the ancillary

services/energy market when the energy cost is greater than the LMP then the energy adjustment adds to the average net price. On the other hand if the LMP is greater than the energy price and load following energy is less than what would have been used in the ancillary services/energy markets, the energy adjustment will be added to average net price. If more load following energy is used than what would have been used in the ancillary services/energy markets when the LMP is greater than energy costs then the energy adjustment will be subtracted from the average net price. Even if a resource incurs no opportunity costs, that is, it does not qualify for ancillary service or it had idle capacity in the day-ahead markets, an energy adjustment will be calculated if the LMP is less than its energy costs.

4.7 Time-Of-Use Adjustment Cost. For resources that store its energy (e.g., hydro units), a time-of-use ("TOU") adjustment must be made for energy scheduled for the sole purpose of load following down. The TOU adjustment is calculated as the max of zero and the difference between the unit's average super peak DAM LMP and the hourly LMP.

4.8 Load Following Opportunity Cost. The total opportunity cost per MW of load following for a generating resource for each hour of the day is the net ancillary services/energy price plus the energy adjustment.

$LF_Opp_Cost_MW_{(Hour\ h)} = Avg_Net_Price + Energy\ Adjustment_{(Hour\ h)} + TOU\ Adjustment$

where: Avg_Net_Price as previously defined
Energy Adjustment as previously defined
TOU Adjustment as previously defined

The monthly opportunity cost of load following will be allocated to each Participant as the product of the load following opportunity cost per MW for hour i and the Participant's allocated load following capacity for that hour, summed across all the hours of the month. The load following opportunity cost payments will then be distributed to the resource owners based on ownership shares. Such payments and charges will be included in the monthly All Resources Bill.

4.9 Choice of Load Following Unit. An examination of the opportunity cost per MW and resource availability will be used to determine which generating unit will be used to load follow. As the value of water and/or natural gas prices change the relative energy costs of a hydroelectric unit versus a gas unit, versus the COTP will change. The opportunity cost per MW of the hydroelectric unit and availability will change vis-à-vis alternatives. If, for example, natural gas prices fall during a dry hydro year, then the opportunity cost of load following with hydroelectric resources will increase and that of the gas unit will fall. The changes in relative opportunity costs my now make load

following with the gas unit less expensive than load following with the hydroelectric unit. Pending operational and/or other constraints and requirements Power Management staff will strive to use the least cost resource to perform load following.

POOLING SCHEDULE 11

WESTERN AREA POWER ADMINISTRATION ALLOCATIONS

Allocations of Western Area Power Administration capacity and energy assigned to NCPA shall be administered in accordance with the AAA Agreement. Such capacity and energy is treated as any other Third Party resources procured solely by such Participant in the context of Pool operations. NCPA will strive to maximize the value of such capacity and energy assigned to NCPA in accordance with any applicable rules and regulations.

POOLING SCHEDULE 12

BILLING PROCEDURES

Section 1. **Billing Procedure.** NCPA will issue invoices to each Participant for its allocated share of costs associated with NCPA's provision of Power Pool Management Services, including, but not limited to, Administrative Services Costs and Power Pool Management Services Costs, in accordance with this Agreement. Such invoices may be either the All Resources Bill or separate special invoice, as determined by NCPA. Notwithstanding the provisions of this Agreement, NCPA shall issue invoices to each Participant as further described in this Pooling Schedule 12.

1.1 Pre-Billing. Prior to each month, NCPA shall issue an invoice to each Participant for its estimated share of costs associated with the services provided in accordance with this Agreement. Estimated charges are billed in advance and are based on, but are not limited to, budgets, schedules, metering data, forecasted net purchases or sales of energy, forecasted congestion costs and estimates of power and related attributes prices, and charges from the CAISO as per the SCPA.

1.2 Adjustments and True-ups. From time to time NCPA shall review and compare its estimate of costs as set forth in the Annual Budget against actual costs incurred during the same period of time. In the event estimated costs

invoiced to Participants substantially deviate from actual costs incurred by NCPA, NCPA shall adjust the amounts to be invoiced to the Participants in subsequent billings, in the respective cost category, for the balance of the Fiscal Year, to ensure NCPA collects sufficient funds to cover all budgeted and actual costs.

A substantial deviation from cost estimates approved in the Annual Budget means a permanent variation from a major objective or parameter of plus or minus five percent (5%) or more, unless otherwise provide for in the Annual Budget. A permanent variation is one that is not expected to reverse at a later date during the same Fiscal Year.

1.3 Annual Billing True-Up. At the end of each Fiscal Year, as soon as actual data is available and the annual year-end audit complete, NCPA shall true-up all invoices based on actual cost data and actual billing determinates. The amounts calculated to be over or under collected from the Participants during the Fiscal Year, measured against actual costs, will be debited or credited to Participants as follows:

(i) a lump sum on future invoices to the Participant;

(ii) applied to a Participant's general operating reserve account; or

(iii) as otherwise directed by the Commission.

POOLING SCHEDULE 13

ACQUISITION OF GHG COMPLIANCE INSTRUMENTS FOR GHG COMPLIANCE OBLIGATIONS

The CARB, through the requirements established under the GHG Regulations, may impose obligations on NCPA to report GHG emissions caused by performing the services under the Agreement and to surrender to the CARB GHG Compliance Instruments for such emissions. This Pooling Schedule 13 is intended to directly address NCPA and Participant compliance activities specific to the GHG Regulations. In the event of other applicable GHG-related mandates, this Pooling Schedule 13 will be reviewed to assess the need for amendments. The procedures below outline NCPA and Participant responsibilities with regard to procurement, payment, purchase, sale, trade, transfer, identification, certification, and all similar activities ancillary to acquiring, evaluating, allocating, and surrendering requisite CARB Offset Credits, Emissions Allowances, penalties, certificates or other GHG Compliance Instruments, products, factors or considerations required and associated with the operation of the Agreement. Such activities include, but are not limited to, transactions between NCPA and Third Parties, transactions utilizing agents and/or Third Parties to act as intermediaries, and transactions between and among Participants and NCPA if requested and feasible, all as may be developed,

revised, and approved by the Commission ("AB32 Compliance Activities"). The general principles that apply to such activities are:

(i) all Participants are to be treated in an equitable manner.

(ii) All Participants shall be afforded the same opportunities to interact with NCPA and/or any outside agents utilized by NCPA as approved and authorized by the Commission. NCPA's AB32 Compliance Activities undertaken for the Pool shall be subject to full transparency for all Participants to the extent permitted by law and regulations; provided that NCPA shall treat any Participant specific information related to any GHG trading platform or auction as confidential to the extent required by law.

(iii) To the extent practicable, NCPA shall allow Participants to individually manage their own risks of meeting their GHG compliance obligations.

(iv) Consistent with the terms of Section 6.2 of this Agreement, NCPA and Participants may utilize other authorizing agreements (e.g. Market Purchase Program) to acquire GHG Compliance Instruments for transactions longer than the Balance-of-Month or prospectively (i.e. prior to incurring a compliance obligation).

(v) NCPA shall procure any required and as yet unattained GHG Compliance Instruments associated with activities under this Agreement as close

in time as practicable to daily operations, unless otherwise directed by the Commission, and pursuant to the protocols contained in this Pooling Schedule 13.

(vi) Participants may transfer GHG Compliance Instruments or direct NCPA to procure GHG Compliance Instruments under other authorizing agreements (e.g. Market Purchase Program) to meet up to 100% of a Participant's forecast and or actual compliance obligation for a given compliance time period in lieu of cash payments to NCPA to procure such GHG Compliance Instruments, if such GHG Compliance Instruments have not yet been procured by NCPA and provided such GHG Compliance Instruments have been transferred to and received by NCPA prior to the next applicable CARB administered auction. NCPA and such Participants shall mutually agree to any such GHG Compliance Instrument transfers prior to making any such GHG Compliance Instrument transfer and NCPA's agreement to any such transfer shall not be unreasonably withheld. NCPA and such Participants shall coordinate to meet any requisite depository and timeline requirements consistent with the GHG Compliance Instrument procurement process outlined in this Pooling Schedule 13.

(vii) On a monthly basis, NCPA shall timely invoice Participants in the All Resources Bill, based on NCPA's estimate for Participant's share for costs

associated with AB32 Compliance Activities such that NCPA shall have on hand sufficient funds and or GHG Compliance Instruments from each Participant projected to meet the full estimate of each Participant's then current compliance obligation.

(viii) NCPA intends, to the extent practicable, to allow Participants to perform AB32 Compliance Activities and meet up to 100% of their actual or forecast compliance obligations (current, future and, when required, in arrears) by conveyance of any combination of cash and or GHG Compliance Instruments to NCPA sufficient to meet such obligations for applicable compliance periods.

(ix) NCPA shall set up any needed accounts or accounting mechanisms such that Participants may advance to NCPA, and NCPA shall track by Participant, the combination of available cash and/or GHG Compliance Instruments prior to providing any functions of the Agreement that may be utilized to meet all or a portion of a given Participant's compliance obligations.

(x) NCPA shall set up and establish any requisite reserve accounts, emissions products trading accounts and deposits, brokerage accounts and deposits, and or other similar accounts, deposits, or reserve requirements in consultation with the Commission.

(xi) NCPA shall account for compliance obligations for activity performed under the Agreement separately by covered entity and by Participant,

and to the extent identifiable, account for and allocate to each individual Participant any costs, charges, fees, penalties, liabilities, and damages arising out of that Participant's AB32 Compliance Activities including, but not limited to, penalties for failure to comply with reporting, surrender, or other legal obligations resulting from a Participant's decisions, actions and/or inactions to transfer GHG Compliance Instruments, to direct NCPA to acquire GHG Compliance Instruments under other authorizing agreements (e.g. Market Purchase Program), the inability to utilize such GHG Compliance Instruments to meet all or any portion of a Participant's GHG compliance obligation, and/or to pay cash. Under no circumstances shall NCPA or any other Participant be liable for such costs attributable to the responsible Participant.

Section 1. **NCPA GHG Compliance Instrument Invoicing, Tracking and Settlement.** NCPA will invoice Participants monthly for their share of the estimated cost of GHG Compliance Instruments forecast to be needed for the next operating month as part of NCPA's All Resources Bill to Participants. The estimated costs will be calculated in accordance with the regulatory structure of the GHG Regulations. NCPA will incorporate into its internal accounting systems and All Resources Billing statements to include the following terms:

1.1 "Compliance Cash Account" or "CCA" means an account or entries within an account that NCPA uses to track, by Participant by month, a

Participant's cash payments to/from NCPA to maintain prescribed funds at NCPA sufficient to meet the Participant's compliance obligations that the Participant has not otherwise met with GHG Compliance Instruments that are timely transferred to NCPA.

1.2 "Metric Ton Compliance Instrument Account" or "MTA" means an account established or used by NCPA to track, by Participant by month and, if necessary, by compliance period, the total amount of eligible GHG Compliance Instruments, including applicable serial numbers, then held by NCPA on behalf of each Participant.

1.3 "Metric Ton Compliance Obligation Account" or "MTO" means an account established or used by NCPA to track, by Participant by month, the total estimated GHG Compliance Instruments needed for GHG emissions for services provided under the Agreement for an applicable billing period as described below, net of any GHG Compliance Instruments surrendered to CARB.

1.4 "Minimum Cash Compliance Obligation" or "MCCO" means the monthly minimum required dollar amount determined by NCPA that each Participant must have on deposit at NCPA in its CCA sufficient to cover the estimated cost of GHG Compliance Instruments to cover each Participant's MTA Shortfall.

1.5 "MTA Shortfall" means the positive value for each Participant given by the formula:

MTO balance - MTA balance.

Participants may satisfy their individual compliance obligation by providing to NCPA cash, GHG Compliance Instruments, or a combination thereof, which in aggregate, the amount or value of which is equal to or greater than NCPA's current estimated cost to meet the Participant's MCCO as determined below. For each Participant, invoices will specify the Participant's required compliance obligations forecast for each operating month in units of Metric Tons of Carbon Dioxide Equivalent ("MTCO2e"), as further defined in the GHG Regulations, and the estimated cost to procure any forecast required number of GHG Compliance Instruments through the next operating month.

(1) NCPA will maintain at least three compliance obligation related accounts for each Participant of each covered entity:

(a) Metric Ton Compliance obligation Account (MTO);

(b) Metric Tom Compliance Instrument Account (MTA); and

(c) Compliance Cash Account (CCA).

(2) Each Participant's monthly MTO at the time of the All Resources Bill, will include the following:

(a) the prior month's MTO balance;

(b) adjustments to prior months' Compliance obligations occurring as a result of:

(i) variations in actual versus forecast generation/import levels;

(ii) variations in MTO due to adjustments to actual prior months' generator heat rates, emission factors, and or other factors; or

(iii) Other AB32 Compliance Activities undertaken by either a Participant or NCPA that result in a net increase or decrease in each Participant's MTO (for example, certified biogas deliveries may decrease a generator participant's monthly share of the facility's Compliance obligation).

(c) the Participant's expected share of the monthly compliance obligation based on a forecast of the next month's operating levels (as adjusted for any applicable biogas, emission factors, or other factors that may reduce a Participant's share of the monthly compliance obligation).

(d) adjustments for any GHG Compliance Instruments from such Participant's MTA surrendered to CARB by NCPA to meet a surrender obligation.

(3) Each Participant's monthly MTA at the time of the All Resources Bill will include the following:

(a) the prior month's MTA balance;

(b) the net total of the following adjustments since the previous All Resources Bill, including:

(i) applicable GHG Compliance Instrument purchases/sales by NCPA on Participant's behalf;

(ii) transfers of applicable GHG Compliance Instruments to NCPA by Participant; or

(iii) Applicable GHG Compliance Instruments from such Participant's MTA surrendered to CARB by NCPA to meet a Surrender Obligation.

(c) other adjustments as warranted which affect each Participant's monthly MTA balance; and

(d) for purposes of calculating the All Resources Bill, CARB Offset Credits, including CARB Sector-Based Offset Credits, of up to eight percent (8.00%) of a Participant's share of the

compliance obligation may be included in the MTA for the current compliance period. CARB Offset Credits which exceed this eight percent limit shall be placed in the MTA for future Compliance Period(s), as appropriate.

(4) Each Participant's monthly CCA at the time of the All Resources Bill will include the following:

(a) the prior month's CCA balance;

(b) cash withdrawals;

(i) of amounts in excess of a Participant's MCCO, if requested.

(ii) other refunds of excess funds as authorized by the Commission.

(iii) NCPA's use of funds for requisite actions to satisfy a compliance obligation, including but not limited to using CCA funds to satisfy CARB's security requirements (e.g. bid guarantee), or procuring GHG Compliance Instruments, or other related activities.

(c) cash additions;

(i) CCA portion of the monthly All Resources Bill payment.

(ii) Other cash payments as required and paid by Participant.

(iii) Return of any unused funds from CARB's security requirements (e.g., bid guarantee), or any funds withdrawn under 4.b.iii.

(5) The monthly CCA balance at the time of the monthly All Resources Bill will be calculated as: 4(a) – 4(b) + 4(c).

Pursuant to quantitative usage limits in the GHG Regulations on designated GHG Compliance Instruments that are used to meet compliance obligations, CARB Offset Credits, including CARB Sector-Based Offset Credits, are limited to not more than eight percent (8.00%) of a Participant's actual compliance obligations in a given compliance period. To the extent one or more Participants provide CARB Offset Credits in excess of this eight percent level, NCPA will not apply such excess CARB Offset Credits in the calculation of the All Resources Bill and each such Participant shall provide NCPA with a written description of how such excess CARB Offset Credits are to be used, including the potential to designate such to be used for another compliance period if administratively and regulatorily feasible, and NCPA will account for such Participant's excess CARB Offset Credits according to that plan and invoice, if

required, such Participant in accordance with that plan and the accounting methodology described above.

If a Participant's MTO balance exceeds its MTA balance at the time of the monthly All Resources Bill, NCPA will determine the MCCO by multiplying such Participant's MTA Shortfall by the forward price per MTCO2e associated with a suitable publicly available GHG Compliance Instrument index approved for such use by the Commission, or if no suitable publicly available index is available, a price per MTCO2e deemed appropriate for such use as determined and approved by the Commission. If no publicly available GHG Compliance Instrument index is available and the Commission has not established an alternative price to use for such purpose, the price per MTCO2e used for such shortfall calculation shall be the Tier 1 applicable to the next available price containment reserve auction ("Reserve Sales"), as established under the GHG Regulations. This calculation determines each Participant's MCCO and if such MCCO is greater than such Participant's current CCA balance, such Participant's All Resources Bill for such month will include an additional amount sufficient to bring its CCA balance up to its MCCO.

The Commission may establish, and from time to time revise, MTA balance and timing requirements which prescribe that Participants have GHG Compliance Instruments in their MTA sooner and or in greater quantity than

would otherwise be necessary to meet the surrender obligation schedule, as defined in the GHG Regulations.

NCPA will track and account for all funds and GHG Compliance Instruments provided to NCPA by each Participant in support of its compliance obligations. Funds and GHG Compliance Instruments may be combined into single categorical accounts for ease of administration, but in no circumstances will funds or GHG Compliance Instruments provided by one Participant be allocated or utilized to meet the compliance obligations of another Participant without advance written authorization of the affected Participants.

Section 2. <u>Allowance Transfers to NCPA's Compliance Account.</u>

Participants may unilaterally participate in CARB administered auctions (e.g. regularly scheduled quarterly auctions ("Quarterly Auction") and Reserve Sales) and or other means to obtain GHG Compliance Instruments and may want to transfer all or a portion of such GHG Compliance Instruments to NCPA to be used to meet up to 100% of a compliance obligation for a given compliance period. If such transfers include CARB Offset Credits, including CARB Sector-Based Offset Credits, Participants may not transfer and NCPA will not accept CARB Offset Credits in excess of 8.00% of a given Participant's compliance obligation for a particular actual or forecast compliance period. To transfer such GHG Compliance Instruments to NCPA, Participants shall appropriately notice

NCPA of such transfer and or provide a copy of the Participant's transfer request to the CARB Executive Officer or other applicable entity. Upon receipt of such notice, NCPA will prepare for the transfer of such GHG Compliance Instruments and separately track and account for such GHG Compliance Instruments received in each respective Participant's MTA at NCPA.

Section 3. **Procurement of GHG Compliance Instruments.** Participants acknowledge and understand the evolution, implementation and interpretation of GHG Regulations will be ongoing. The Commission will modify this section as needed to encompass procurement as CARB provides guidance and amends the GHG Regulations. For freely allocated Emissions Allowances that CARB provides to Participants in CY2012 and CY2013, Participants assume such Emissions Allowances cannot be used to meet all or any portion of the Participant's compliance obligation.

NCPA, in consultation with the Participants and subject to approval by the Commission, may utilize the services of consultants, brokers, agents or other qualified individuals or organizations ancillary to participating in CARB administered auctions, CARB Offset Credits procurement, or other markets for GHG Compliance Instruments, and/or other AB32 Compliance Activities, as warranted, to meet compliance.

NCPA will acquire and accept only GHG Compliance Instruments issued or approved by CARB to meet compliance obligations. NCPA will initially acquire GHG Compliance Instruments from four sources: (i) Emissions Allowances purchased through participation in CARB administered allowance auctions; (ii) Emissions Allowances purchased through participation in CARB administered Reserve Sales; (iii) GHG Compliance Instruments purchased by Participants that are then transferred to NCPA; and (iv) GHG Compliance Instruments purchased from sources other than CARB administered auctions.

The NCPA General Manager, or designee, will designate primary and alternate authorized account representatives, as necessary, to take actions in regard to NCPA's administration of GHG Compliance Instruments, CARB administered auctions, and other transactions and action related to attaining and maintaining compliance with the GHG Regulations.

NCPA will fulfill all reporting requirements applicable to NCPA, or provide assistance to fulfill any reporting requirements applicable to Participants, pursuant to the GHG Regulations.

NCPA's overall compliance objective under the GHG Regulations is to obtain requisite GHG Compliance Instruments at the lowest reasonably expected cost, balancing the risks of GHG Compliance Instrument price volatility and

availability and the need to meet the compliance obligation of each covered entity subject to the GHG Regulations.

To meet 100% of each covered entity's compliance obligation, NCPA will use best reasonable efforts to acquire the total needed quantity of GHG Compliance Instruments on or before November 1, 2014, and each year thereafter, based on forecast and actual operations subject to the following:

(1) To the extent that CARB Offset Credits, including CARB Sector-Based Offset Credits, are available at a lower cost than Emissions Allowances or other qualified GHG Compliance Instruments, NCPA will use best reasonable efforts to procure CARB Offset Credits sufficient to meet eight percent (8.00%) of the forecast compliance obligation. If, after the end of a calendar year, NCPA has CARB Offset Credits in excess of eight percent of the respective calendar year compliance obligation, such excess CARB Offset Credits will be applied to compliance obligations in subsequent years in proportion to the Participants' forecasted MTA Shortfall.

(2) If a day to day GHG Compliance Instrument market develops, NCPA will acquire, on a daily basis and as close in time as practicable to actual daily operations, GHG Compliance Instruments to meet any MTA Shortfall.

(3) By the fifth (5th) calendar day of the month immediately preceding each Quarterly Auction, NCPA will determine and publish to each

Participant its MTA Shortfall through the end of the calendar month two months prior to the Quarterly Auction.

(a) By the fifteenth (15th) calendar day of the month, NCPA will invoice each Participant of each covered entity, as applicable and in proportion to its MTA Shortfall, net of any applicable GHG Compliance Instruments successfully transferred to NCPA within seven (7) calendar days of the aforementioned publication date of the MTA Shortfall. Payments for said invoices shall be due within ten (10) calendar days of the invoice date to have sufficient procurement funds on hand to satisfy CARB's security requirements. In the next immediate Quarterly Auction, NCPA will bid quantities and prices expected to obtain sufficient Emissions Allowances to meet up to 100% of the so determined MTA Shortfall of all Participants, with a maximum price not to exceed 125% of the estimated value of Emissions Allowances as determined by NCPA staff.

(b) The allocation of any GHG Compliance Instruments attained by NCPA in such Auction, and the associated cost thereof, shall be in proportion to those Participants based on then

existing MTA Shortfalls. Any excess funds collected above will be credited back to the respective Participant's CCA balance after the applicable Auction.

(4) Thirty (30) days before each Reserve Sale in CY2014 and in each year thereafter, NCPA will determine, by covered entity and by Participant, the MTA Shortfall through all of the previous calendar years and invoice each Participant, as applicable and in proportion to its MTA Shortfall. Payments for said invoices shall be due within ten (10) calendar days of the invoice date to have sufficient procurement funds on hand to satisfy CARB's security requirements. The allocation of any GHG Compliance Instruments attained by NCPA in each Reserve Sale (as described in (4 a-c) below), and the associated cost thereof, shall be in proportion to the Participant's share of the MTA Shortfalls for each covered entity. For each Participant whose MTA Shortfall is then satisfied, any excess funds collected above will be refunded to the respective Participants after the applicable Reserve Sale.

(a) At the first Reserve Sale in each calendar year, NCPA will bid the applicable Tier 1 price for 33.3% of the so determined MTA Shortfall of all Participants.

(b) At the second Reserve Sale in each calendar year, NCPA will bid the applicable Tier 2 price for 66.7% of the so determined MTA Shortfall of all Participants.

(c) At the third and fourth Reserve Sale in each calendar year, NCPA will bid the applicable Tier 3 price for 100.0% of the so determined MTA Shortfall of all Participants.

(5) Pursuant to Pooling Schedule 13, Section 2, individual Participants may acquire and transfer GHG Compliance Instruments to NCPA, if administratively feasible and as allowed by the GHG Regulations, to meet all or a portion of any then existing or forecast compliance obligation not already attained by NCPA on behalf of such Participant(s). Any transfers of Participant GHG Compliance Instruments eligible to be used for the first compliance period consisting of CY2013 and CY2014 to NCPA will first be applied to meet any of such Participant's unmet CY2013 compliance obligation, with any excess GHG Compliance Instruments applied to such Participant's unmet Compliance obligation during the next subsequent compliance year(s). To the extent one or more Participants transfer GHG Compliance Instruments to NCPA for such purposes, NCPA will allocate the GHG Compliance Instruments and associated costs thereof of any subsequent NCPA Compliance Instrument procurement for

CY2013 in proportion to those Participants on whose behalf such GHG Compliance Instruments are procured.

(6) NCPA shall track by covered entity and Participant, and regularly report, as allowed by the GHG Regulations, to Participants the then current and remaining forecast compliance obligations of the current calendar year together with quantities and prices associated with each NCPA Compliance Instrument transaction.

Section 4. **Surrender of GHG Compliance Instruments.** NCPA will surrender GHG Compliance Instruments in accordance with procedures specified in the GHG Regulations. NCPA will track any Participant's untimely provision or transfer of GHG Compliance Instruments to NCPA. In addition, NCPA will track and allocate to the responsible Participant(s) any identifiable costs, charges, fees, penalties, liabilities, and damages arising out of a Participant's activities related to complying with GHG Regulations for the services provided under the Agreement – including, but not limited to, a Participant's decisions, actions, or inactions to transfer GHG Compliance Instruments to NCPA, provide directions to NCPA, and or to pay cash - that results in NCPA not meeting regulatory requirements. Under no circumstances shall NCPA or any other Participant be liable for such costs attributable to the responsible Participant.

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A POWER MANAGEMENT AND ADMINISTRATIVE SERVICES AGREEMENT WITH THE NORTHERN CALIFORNIA POWER AGENCY

==========

WHEREAS, the Northern California Power Agency (NCPA) currently provides various Power Management and Administrative services to the City of Lodi pursuant to multiple service based agreements including a Facilities Agreement (FA), Scheduling Coordination Program Agreement (SCPA) and Pooling Agreement (PA); and

WHEREAS, many of these agreements were developed prior to the deregulation of the wholesale electric industry, and therefore require modification to make them consistent with current electric utility industry requirements; and

WHEREAS, updates to these agreements are also needed to ensure consistency with how costs associated with such services are allocated to NCPA members in accordance with current NCPA Commission approved policies; and

WHEREAS, NCPA has developed a new agreement, the Power Management and Administrative Services Agreement, that will work together with the updated FA, SCPA, and PA; and

WHEREAS, the Power Management and Administrative Services Agreement will act as a routing agreement to clearly identify which service agreements a member is required to sign in order to take certain services from NCPA and how costs associated with Power Management and Administrative Services are allocated among the members who receive such services from NCPA; and

WHEREAS, the Power Management and Administrative Services Agreement has been written to mitigate cross-member risk and is structured to insulate members who do not take certain services from NCPA from risks inherent in the services and transactions undertaken by NCPA on behalf of any given member or group of members; and

WHEREAS, the Power Management and Administrative Services Agreement is designed to clearly assign costs attributed to particular services and to ensure that members who take certain services are obligated to assume all obligations that result from NCPA's actions in performing the services; 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 Power Management and Administrative Services Agreement with NCPA.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE AN
AMENDED AND RESTATED FACILITIES AGREEMENT WITH
THE NORTHERN CALIFORNIA POWER AGENCY

==========

WHEREAS, the Northern California Power Agency (NCPA) currently provides various Power Management and Administrative services to the City of Lodi pursuant to multiple service based agreements including a Facilities Agreement (FA), Scheduling Coordination Program Agreement (SCPA) and Pooling Agreement (PA); and

WHEREAS, many of these agreements were developed prior to the deregulation of the wholesale electric industry, and therefore require modification to make them consistent with current electric utility industry requirements; and

WHEREAS, updates to these agreements are also needed to ensure consistency with how costs associated with such services are allocated to NCPA members in accordance with NCPA Commission approved policies; and

WHEREAS, the Amended and Restated Facilities Agreement sets forth the terms and conditions under which NCPA may acquire, finance and plan for the addition of NCPA Projects, and manage, maintain, operate, schedule and perform billing for NCPA Projects; and

WHEREAS, the Amended and Restated Facilities Agreement has been written to mitigate cross-member risk and is structured to insulate members who do not take certain services from NCPA from risks inherent in the services and transactions undertaken by NCPA on behalf of any given member or group of members; and

WHEREAS, the Amended and Restated Facilities Agreement is designed to clearly assign costs attributed to particular services and to ensure that members who take certain services are obligated to assume all obligations that result from NCPA's actions in performing the services; 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 hereby authorizes the City Manager to execute the Amended and Restated Facilities Agreement with NCPA.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED AND RESTATED SCHEDULING COORDINATION PROGRAM AGREEMENT WITH THE NORTHERN CALIFORNIA POWER AGENCY

==========

WHEREAS, the Northern California Power Agency (NCPA) currently provides various Power Management and Administrative services to the City of Lodi pursuant to multiple service based agreements including a Facilities Agreement (FA), Scheduling Coordination Program Agreement (SCPA) and Pooling Agreement (PA); and

WHEREAS, many of these agreements were developed prior to the deregulation of the wholesale electric industry, and therefore require modification to make them consistent with current electric utility industry requirements; and

WHEREAS, updates to these agreements are also needed to ensure consistency with how costs associated with such services are allocated to NCPA members in accordance with current NCPA Commission approved policies; and

WHEREAS, the Amended and Restated Scheduling Coordination Program Agreement sets forth the terms and conditions under which NCPA may provide Scheduling Coordination Services including, but not limited to, submission of schedules and bids on behalf of members, obtaining and maintaining settlement quality meter data, performing outage coordination for planned and unplanned outages, validation and reconciliation of California Independent System Operator (CAISO) settlement charges and credits, and allocating CAISO charges and credits among members; and

WHEREAS, the Amended and Restated Scheduling Coordination Program Agreement has been written to mitigate cross-member risk and is structured to insulate members who do not take certain services from NCPA from risks inherent in the services and transactions undertaken by NCPA on behalf of any given member or group of members; and

WHEREAS, the Amended and Restated Scheduling Coordination Program Agreement is designed to clearly assign costs attributed to particular services and to ensure that members who take certain services are obligated to assume all obligations that result from NCPA's actions in performing the services; 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 hereby authorizes the City Manager to execute the Amended and Restated Scheduling Coordination Program Agreement with NCPA.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A SECOND AMENDED AND RESTATED POOLING AGREEMENT WITH THE NORTHERN CALIFORNIA POWER AGENCY

==========

WHEREAS, the Northern California Power Agency (NCPA) currently provides various Power Management and Administrative services to the City of Lodi pursuant to multiple service based agreements including a Facilities Agreement (FA), Scheduling Coordination Program Agreement (SCPA) and Pooling Agreement (PA); and

WHEREAS, many of these agreements were developed prior to the deregulation of the wholesale electric industry, and therefore require modification to make them consistent with current electric utility industry requirements; and

WHEREAS, updates to these agreements are also needed to ensure consistency with how costs associated with such services are allocated to NCPA members in accordance with current NCPA Commission approved policies; and

WHEREAS, the Second Amended and Restated Pooling Agreement sets forth the terms and conditions under which NCPA may provide Power Pool Management Services to members including, but not limited to, load, resource and price forecasting, resource planning and optimization, energy and capacity transaction activities, risk analysis and management, pre-scheduling, scheduling and dispatch activities, power pool operations and settlement standards, contract administration and industry restructuring and advocacy activities; and

WHEREAS, the Second Amended and Restated Pooling Agreement has been written to mitigate cross-member risk and is structured to insulate members who do not take certain services from NCPA from risks inherent in the services and transactions undertaken by NCPA on behalf of any given member or group of members; and

WHEREAS, the Second Amended and Restated Pooling Agreement is designed to clearly assign costs attributed to particular services and to ensure that members who take certain services are obligated to assume all obligations that result from NCPA's actions in performing the services; 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 hereby authorizes the City Manager to execute the Second Amended and Restated Pooling Agreement with NCPA.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-15

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Third Amended and Restated Northern California Power Agency Metered Subsystem Aggregator Agreement

MEETING DATE: May 7, 2014

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute Amendment No. 1 to the Third Amended and Restated Northern California Power Agency Metered Subsystem Aggregator Agreement.

BACKGROUND INFORMATION: The Northern California Power Agency (NCPA) Pool Members and the California Independent System Operator (CAISO) are signatories to the Third Amended and Restated NCPA Metered Subsystem Aggregator Agreement (MSSAA) which establishes the rules and requirements for how NCPA and the NCPA Pool Members, acting as load following metered subsystem entities, perform scheduling and settlement functions in the CAISO markets. The City of Lodi is an NCPA Pool Member and a signatory to the MSSAA.

In response to Federal Energy Regulatory Commission (FERC) Order 764, the CAISO is implementing a new Fifteen Minute Market (FMM) scheduling and settlement process. The FMM is slated to become active in May 2014. Among other changes, the FMM will replace the Hour Ahead Scheduling Process (HASP), thereby removing barriers to the integration of variable energy resources. As a result, various sections of the MSSAA that currently reference the HASP need to be updated to reference the FMM. Such changes will ensure the MSSAA remains consistent with current business practices and terminology used in the CAISO Tariff. It is also recommended that approval of future administrative changes such as these to the MSSAA be delegated to the Electric Utility Director with direction from the Risk Oversight Committee (ROC).

The ROC received a report on this agenda item and recommended City Council approval.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

_____
Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Melissa Price, Rates & Resources Manager

EAK/MP/lst

APPROVED: _____
Stephen Schwabauer, Interim City Manager

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION AND NORTHERN CALIFORNIA POWER AGENCY AND NORTHERN CALIFORNIA POWER AGENCY METERED SUBSYSTEM AGGREGATOR AGREEMENT MEMBERS

Amendment No. 1 to the Third Amended and Restated NCPA MSS Aggregator Agreement

This Amendment No. 1 to the Third Amended and Restated NCPA MSS Aggregator Agreement ("Amendment No. 1") is dated this _____ day of _____, 2014 and is entered into, by and between:

(1) **Northern California Power Agency**, a joint powers agency organized under the laws of the State of California, having its registered and principal place of business located at 651 Commerce Drive, Roseville, California 95678 ("NCPA");

and

(2) **California Independent System Operator Corporation,** a California non-profit public benefit corporation having its principal place of business located in such place in the State of California as the CAISO Governing Board may from time to time designate, 250 Outcropping Way, Folsom, California 95630 (the "CAISO").

and

(3) **NCPA MSSAA Members**, the subset of NCPA MSS Members that are listed in Schedule 18.

NCPA, the CAISO and the MSSAA Members are hereinafter referred to individually as "Party" or collectively as the "Parties."

Whereas:

A. The Parties are signatories to the Third Amended and Restated NCPA MSS Aggregator Agreement ("MSSAA"), which was effective January 1, 2012. The Third Amended and Restated MSSAA replaced the original MSSAA effective September 1, 2002, the First Amended and Restated MSSAA which was effective January 1, 2005, and the Second Amended and Restated MSSAA which was effective March 31, 2009.

B. The Parties desire to amend the Third Amended and Restated MSSAA to align with the CAISO's Order 764 initiative: Fifteen Minute Market (FMM) at the interties to include amendments to: a) Section 12.8: Allocation of Net Real-Time Market (RTM) Bid Cost Uplift, b) Sections 12.9: Grid Management Charges Based on Market Services, 12.15: MSS Net Negative Uninstructed Deviation, and 12.17.3: Emission Costs to replace "HASP" with "FMM" Self Scheduled Energy, and c) Schedule 19: Load Following Deviation Energy Formula.

C. In all other respects, the Parties intend that the Third Amended and Restated MSSAA remain in full force and effect in accordance with its terms.

NOW THEREFORE, **THE PARTIES AGREE** as follows:

1. **Effective Date.** This Amendment No. 1 shall be effective on the date accepted for filing and made effective by FERC.

2. **Termination.** The provisions of this Amendment No. 1 shall remain in full force and effect, unless subsequently amended, until the termination of the Third Amended and Restated MSSAA.

3. **Amendment to the Agreement.** The Third Amended and Restated MSSAA shall be amended as follows:

3.1 Section 12.8 (Allocation of Net RTM Bid Cost Uplift) is deleted in its entirety and replaced with the following:

12.8 **Allocation of Net RTM Bid Cost Uplift**. The allocation of Net RTM Bid Cost Uplift is based on the MSS elections as specified in Section 4.9.13 of the CAISO Tariff. The hourly RTM Bid Cost Uplift is allocated to the Scheduling Coordinator for NCPA as the MSS Aggregator that has elected to not follow its Load and gross Settlement, in proportion to NCPA's MSS Measured Demand minus NCPA's Measured Demand served solely by means of valid and balanced TOR Self-Schedules for the Trading Hour. For the Scheduling Coordinator for NCPA as the MSS Aggregator that has elected not to follow its Load and net Settlement, the hourly RTM Bid Cost Uplift is allocated in proportion to NCPA's MSS Aggregation Net Measured Demand minus NCPA's Measured Demand served solely by means of valid and balanced TOR Self-Schedules. For the Scheduling Coordinator for NCPA as an MSS Aggregator that has elected to follow its Load, the hourly RTM Bid Cost Uplift is allocated in proportion to NCPA's MSS Net Negative Uninstructed Deviation with MSS Load Following Energy and FMM Self-Scheduled Energy from Load following resources identified in Schedule 14(a) of this Agreement and associated Operational Adjustments included in the netting, plus any FMM reductions not associated with valid and balanced ETC or TOR Self-

Schedules in the Day-Ahead Market and plus any FMM reductions not associated with the FMM Self-Scheduled Energy from Load following resources listed in Schedule 14(a) of this Agreement.

3.2 Section 12.9 (Grid Management Charges Based on Market Services) is deleted in its entirety and replaced with the following:

12.9 Grid Management Charges Based on Market Services. If the CAISO is charging Grid Management Charges for Market Services Charge, NCPA's Scheduling Coordinator will not be assessed Grid Management Charges for Market Services Charge associated with MSS Load Following Energy and FMM Self-Scheduled Energy from Load following resources identified in Schedule 14(a) of this Agreement and associated Operational Adjustments.

3.3 Section 12.15 (MSS Net Negative Uninstructed Deviation) is deleted in its entirety and replaced with the following:

12.15 MSS Net Negative Uninstructed Deviation. The calculation of MSS Net Negative Uninstructed Deviation must include MSS Load Following Energy and FMM Self-Scheduled Energy from Load following resources identified in Schedule 14(a) of this Agreement and associated Operational Adjustments as part of the calculation of Net Negative Uninstructed Deviation quantities when used for purposes of applicable CAISO Settlement allocation. MSS Load Following Energy and FMM Self-Scheduled Energy from Load following resources identified in Schedule 14(a) of this Agreement and associated Operational Adjustments shall be netted against Uninstructed Imbalance Energy to properly account for the actual quantity of Net Negative Uninstructed Deviation.

3.4 Section 12.17.3 (Emission Costs) is deleted in its entirety and replaced with the following:

12.17.3 If NCPA as MSS Aggregator elects to follow its Load, in accordance with Section 4.9.13 of the CAISO Tariff, and if NCPA as MSS Aggregator elects not to charge the CAISO for Emissions Costs of the Generating Units serving the Load of NCPA's System, then NCPA's Scheduling Coordinator shall bear its proportionate share of the total amount of those costs incurred by the CAISO based on NCPA as an MSS Aggregator's Net Negative Uninstructed Deviations with MSS Load Following Energy and FMM Self-Scheduled Energy from Load following resources identified in Schedule 14(a) of this Agreement and associated Operational Adjustments included in the netting.

3.5 Schedule 19 (MSSA Load Following Deviation Energy Formula) is deleted in its entirety and the Schedule 19 attached to this Amendment No. 1 is substituted in its place.

4. This Amendment No. 1 constitutes the complete and final agreement of the Parties with respect to the purpose of this Amendment No. 1 as described in the Recitals hereto and supersedes all prior understandings, whether written or oral, with respect to such subject matter.

5. Except as expressly modified in this Amendment No. 1, the Third Amended and Restated MSSAA shall remain in full force and effect in accordance with its terms, and the unmodified provisions of the Third Amended and Restated MSSAA shall apply to any new rights and/or obligations established by this Amendment No.1.

6. This Amendment No. 1 may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be duly executed by and through their respective authorized representatives as of the date hereinabove written.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

NORTHERN CALIFORNIA POWER AGENCY

By: _____

Name: _____

Title: _____

Date: _____

CITY OF ALAMEDA

By: _____

Name: _____

Title: _____

Date: _____

CITY OF BIGGS

By: _____

Name: _____

Title: _____

Date: _____

CITY OF GRIDLEY

By: _____

Name: _____

Title: _____

Date: _____

CITY OF HEALDSBURG

By: _____

Name: _____

Title: _____

Date: _____

CITY OF LODI

By: _____

Name: STEPHEN SCHWABAUER

Title: Interim City Manager

Date: _____

ATTEST:

_____
RANDI JOHL-OLSON
City Clerk

APPROVED AS TO FORM:
JANICE D. MAGDICH
Interm City Attorney

By: _____

CITY OF LOMPOC

By: _____

Name: _____

Title: _____

Date: _____

CITY OF PALO ALTO

By: _____

Name: _____

Title: _____

Date: _____

PLUMAS SIERRA RURAL ELECTRIC COOPERATIVE

By: _____

Name: _____

Title: _____

Date: _____

PORT OF OAKLAND

By: _____

Name: _____

Title: _____

Date: _____

CITY OF UKIAH

By: _____

Name: _____

Title: _____

Date: _____

Schedule 19

MSSA Load Following Deviation Energy Formula

[Sections 12.11 and 12.12]

All references in the MSSA Load Following Deviation Energy Formula to Scheduled MSS Demand and Metered MSS Demand includes all MSS Demand, both with a delivery point of the NCPA MSS LAP, and any Demand with a delivery point of one of the NCPA or SVP custom LAPs used to account for load served by ETC or TOR deliveries. Each of the NCPA and SVP custom LAPs are further described in Schedule 15 of this Agreement. The MSSA Load Following Deviation Energy Formula may be updated in the future as operational experience is gained, and necessary refinements are identified. Only those modifications to this Schedule 19 which are mutually acceptable to both NCPA and CAISO will be incorporated in to the MSSA Load Following Deviation Energy Formula, but any modification to Schedule 19 that may reflect a change in resources utilized by NCPA to serve MSS Demand will be incorporated in an expedited manner, and will not be arbitrarily withheld.

Load Following MSS Participation in Integrated Forward Market

NCPA, acting as MSS Aggregator, can bid a combination of resources that result in final Schedules that are greater or less than the amount of Energy required to balance its Demand obligations in the Day-Ahead market. The resulting difference represents the amount of Energy, which can be positive for a sale or negative for a purchase, that is considered sold or purchased with the CAISO in the Day-Ahead Integrated Forward Market. The resulting sale or purchase is obligated to be delivered to or from the CAISO in real-time. The following is a description of the formula used to derive this value:

DA CAISO Sale (+)/Purchase (-) for the operating hour (MW) = DA CAISO Sale/Purchase must be calculated as:
Sum of Day-Ahead Final Market Energy Schedule for MSSA Internal Generation * (1- Fixed Loss Factor)
+ Sum of Day-Ahead Final Market Energy Schedule for MSS Internal Generation
- Sum of Day-Ahead Scheduled MSS Demand
+ Sum of Day-Ahead Preferred NCPA MSS Trade

Where:

DA Preferred NCPA MSS Trade = DA Preferred NCPA MSS Trade must be calculated as:
Sum of Non-Marble Day-Ahead Preferred Import Energy to the MSS Aggregation * (1-

Fixed Loss Factor)
+ Sum of Marble Day-Ahead Preferred Import Energy to the MSS Aggregation
+ Sum of Day-Ahead Inter-SC Trade in to the MSS Aggregation
+ Sum of MSSA External Generation
+ Sum of Day-Ahead Preferred Bilateral Trade in to the MSS Aggregation
- Sum of Day-Ahead Preferred Export Energy out of the MSS Aggregation
- Sum of Day-Ahead Inter-SC Trade out of the MSS Aggregation
- Sum of MSSA External Demand
- Sum of Day-Ahead Preferred Bilateral Trade out of the MSS Aggregation

Where:

- MSSA Internal Generation means generation that is located outside the geographic boundary of a MSS but is contained within the MSS Aggregation.
- MSS Internal Generation means generation located either behind a City Gate Meter or contained within the geographic boundary of a MSS.
- City Gate Meter means a physical or logical meter(s) that records all power usage by a MSS located at the Points of MSS Interconnection. Each of the MSS Member City Gate Meter(s) is listed in Schedule 1.
- Fixed Loss Factor means the loss factor used to estimate the actual losses. This factor is negotiated between NCPA and the CAISO, which is currently set at two percent (2%).
- Day-Ahead Scheduled MSS Demand means the Load Self-Scheduled as submitted by NCPA, prior to any Day-Ahead adjustments applied by the CAISO Market software.
- MSS External Generation means the sum of all Scheduled Generation in the Day-Ahead Market using the NCPA SCID that is not in the MSS Aggregation.
- MSSA External Demand means the sum of all Scheduled Demand in the Day-Ahead Market using the NCPA SCID that is not in the MSS Aggregation.
- Day-Ahead Preferred Bilateral Trades in to and out of the MSS Aggregation are trades that are arranged by contract with a Third Party in the Day-Ahead time-frame and that are not Scheduled with the CAISO as an Inter-SC Trade.

- Day-Ahead Preferred Import Energy, Day-Ahead Preferred Export Energy, and Day-Ahead Inter-SC Trades in to and out of the MSS Aggregation are as submitted Day-Ahead to the CAISO.
- Marble Day-Ahead Preferred Import Energy in to the MSS Aggregation is scheduled using the Plumas-Sierra Rural Electric Cooperative Transmission Rights up to Marble Substation Intertie, as described in Schedule 13.
- Non-Marble Day-Ahead Preferred Import Energy in to the MSS Aggregation is all scheduled imports other than Marble Day-Ahead Preferred Import Energy in to the MSS Aggregation.

DA Preferred NCPA MSS Trade will be calculated by NCPA and provided to the CAISO. The CAISO will use this information in combination with the other data referenced in the DA CAISO Sale equation to calculate the DA CAISO Sale quantity. DA Preferred NCPA MSS Trade is referred to as preferred because all CAISO Scheduled values are based on the schedules and Bids as submitted by NCPA in to the Integrated Forward Market. Both DA CAISO Sale and DA Preferred NCPA MSS Trade are based on pre-schedules and are hourly values. The CAISO can request that DA Preferred NCPA MSS Trade be reported in MW's for the hour or by applicable Settlement Interval (e.g., five (5) minute basis). The DA CAISO Sale quantity is calculated by CAISO.

MSS Load Following Deviation Energy Formula (DOPD)

The Deviation Energy ("DOPD") represents the MSS Aggregation Imbalance Energy in MWh adjusted for Day-Ahead Sales or Purchases, as calculated above, and MSSA Expected RTD Instructed Imbalance Energy (RTD IIE), and Regulation Energy.

MSSA Expected RTD IIE is an amount calculated by the CAISO that represents the Energy dispatched by the CAISO to the MSSA that is required to be provided by the MSSA. MSSA Expected RTD IIE includes Energy from Energy Bids (including those associated with Spinning Reserve and Non-Spinning Reserve), Real-Time Energy from RMR Units, and Exceptional Dispatch Energy. MSSA Expected RTD IIE does not include energy associated with Load following instructions.

Deviation Energy (DOPD) for the Settlement Interval (MWh) = Deviation Energy must be calculated as:
- Metered MSS Gross Demand
+Sum of Metered MSSA Internal Generation * (1 – Fixed Loss Factor)
+ Sum of Metered MSS Internal Generation
+ RT NCPA MSS Trade
+ Sum of Regulation Down Energy
- Sum of MSSA Expected RTD IIE
– Sum of Regulation Up Energy
– (DA CAISO Sale/Purchase)

Where:

RT NCPA MSS Trade = RT NCPA MSS Trade must be calculated as:
+ Sum of Non-Marble Final Imports in to the MSS Aggregation * (1 – Fixed Loss Factor)
+ Sum of Marble Final Imports in to the MSS Aggregation
+ Sum of Inter-SC Trades in to the MSS Aggregation
+ Sum of Bilateral Trades in to the MSS Aggregation
+ Sum of MSSA External Generation
+ Real-Time Grizzly Delivery
- Sum of Final Exports out of the MSS Aggregation
- Sum of Inter-SC Trades out of the MSS Aggregation
- Sum of Bilateral Trade out of the MSS Aggregation
– Sum of MSSA External Demand
- RT CAISO Sale (+)/Purchase (-)

Where:

- RT NCPA MSS Trade means the amount of energy Scheduled and or delivered between the MSS Aggregation and the CAISO Balancing Authority based on the transactions which are active in Real-Time.
- Metered MSS Gross Demand is the result of a logical meter calculation that adds Metered MSS Internal Generation back in to the Metered Load.
- Fixed Loss Factor means the loss factor used to estimate actual losses. This factor is negotiated between NCPA and the CAISO, which is currently set at two percent (2%).
- MSSA Expected RTD IIE is energy associated with those ADS instruction service types that represent a requirement for the delivery of energy to the CAISO that is incremental (or decremental) to the MSSA's Load-Following needs. The equation reflected above assumes that ADS will deliver instructions that will account for all differences between the Day-Ahead Schedule and the Real-Time operating target of the unit, in a way that accurately accounts for any MSS Load Following Energy, and differentiates that from MSSA Expected RTD IIE.
- Regulation Energy is the integrated expected energy which is calculated and provided in Real-Time due to CAISO Regulation Up and Regulation Down signals.
- Final Imports and Exports in to and out of the MSS Aggregation, including System Resources and Resource Specific System Resources listed in Schedule 14(a), are as Scheduled Day-Ahead or in FMM, or Operational Adjustments as Scheduled up to 30-minutes before the active hour pursuant to ETC and TOR scheduling rights as expressed in Schedule 13,

and includes all Operational Adjustments to System Resources and Resource Specific System Resources listed in Schedule 14(a).

- Marble Final Imports in to the MSS Aggregation are scheduled using the Plumas-Sierra Rural Electric Cooperative Transmission Rights up to Marble Substation Intertie, as described in Schedule 13.
- Non-Marble Final Imports in to the MSS Aggregation are all scheduled imports other than Marble Final Imports in to the MSS Aggregation.
- Inter-SC Trades in to and out of the MSS Aggregation are as Scheduled Day-Ahead or in FMM.
- Bilateral Trades are trades that are arranged by contract with a Third Party in the Day-Ahead or FMM time-frame that are not Scheduled with the CAISO as an Inter-SC Trade.
- MSSA External Generation and MSSA External Demand are Day-Ahead scheduled values only, as changes to these Schedules after the Day-Ahead market cannot be used to balance Gross MSS Demand, and as such are distinct and separate from Final Imports and Exports Scheduled in to and out of the MSS Aggregation.
- Real-Time Grizzly Delivery means the energy deliveries arranged after the close of FMM, but in accordance with the Grizzly Development and Mokelumne Settlement Agreement.
- RT CAISO Sale (+)/Purchase (-) means the quantity of Imbalance Energy purchased or sold in the CAISO Real-Time Market resulting from a Forced Outage of MSSA Internal Generation, MSS Internal Generation or MSS Demand in the MSS Aggregation. RT CAISO Sale (+)/Purchase (-) quantities are calculated and included in the RT NCPA MSS Trade for the minimum period of a) the duration of the Forced Outage of MSSA Internal Generation, MSS Internal Generation or MSSA Demand, or b) until NCPA acquires replacement supply, or restores demand, in or prior to the next available CAISO Day-Ahead Market. All Forced Outages on MSSA Internal and External Generation must be reported to the CAISO in accordance with Section 9 of the CAISO Tariff.

RT NCPA MSS Trade is calculated by NCPA and provided to the CAISO, and will be used by the CAISO in combination with the other data described in the Deviation Energy equation above to calculate Deviation Energy.

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE THIRD AMENDED AND RESTATED NORTHERN CALIFORNIA POWER AGENCY METERED SUBSYSTEM AGGREGATOR AGREEMENT

==========

WHEREAS, the Northern California Power Agency (NCPA) Pool Members and the California Independent System Operator (CAISO) are signatories to the Third Amended and Restated NCPA Metered Subsystem Aggregator Agreement (MSSAA) which establishes the rules and requirements for how NCPA and the NCPA Pool Members, acting as load following metered subsystem entities, perform scheduling and settlement functions in the CAISO markets and the City of Lodi is an NCPA Pool Member and a signatory to the MSSAA; and

WHEREAS, in response to Federal Energy Regulatory Commission (FERC) Order 764, the CAISO is implementing a new Fifteen Minute Market (FMM) scheduling and settlement process, and the FMM is slated to become active in May 2014; and

WHEREAS, among other changes, the FMM will replace the Hour Ahead Scheduling Process (HASP), thereby removing barriers to the integration of variable energy resources; and

WHEREAS, as a result, various sections of the MSSAA that currently reference the HASP need to be updated to reference the FMM; and

WHEREAS, such changes will ensure the MSSAA remains consistent with current business practices and terminology used in the CAISO Tariff; and

WHEREAS, it is also recommended that approval of future administrative changes such as these to the MSSAA be delegated to the Electric Utility Director with direction from the Risk Oversight Committee (ROC); and

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

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to execute Amendment No. 1 to the Third Amended and Restated NCPA MSSAA.

BE IT FURTHER RESOLVED that the Lodi City Council hereby authorizes the Electric Utility Director to approve future administrative changes to the MSSA with direction from the Risk Oversight Committee.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-16

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving Irrevocable Dedication of Solid Waste Improvements Located at 114 West Oak Street

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution approving Irrevocable Dedication of solid waste improvements located at 114 West Oak Street.

BACKGROUND INFORMATION: In 2012, the City of Lodi and Waste Management partnered with several property owners and business owners in the block bounded by Church Street, Oak Street, Walnut Street and School Street to clean up visual and odor blight caused by the collection of individual solid waste handling bins clustered together in the City's parking lot located at 114 West Oak Street. The City and Waste Management contributed $19,900 and $34,100, respectively, toward the cost to construct a masonry block enclosure housing one solid waste compactor, three recycling bins, one grease storage unit, and the appurtenant utilities. The project cost a total of $80,000. A copy of the improvements site plan is provided in Attachment A.

The property owners and business owners involved in the project have entered into an agreement setting forth the monthly percent shares of the cost for the Waste Management service, including an amortized repayment of $25,859 over a period of five years for the cost of the solid waste compactor. The agreement obligates all parties to use the new garbage facility for all trash, grease, and recycling and that they shall not allow other garbage cans, dumpsters, or grease receptacles on or around the property. The list of parties to the agreement and their proportional responsibility of the monthly solid waste charges is provided below.

Name	Percentage
Woolworth Place Owners Association	32
Scott Tonn/Downtown Lodi Partners (restaurant/vacant)	21
Morris Brown Realty (Synowick's Jewel Box)	2
Morris Brown Realty (Nationwide Insurance)	2
Phillips (The Dermal Clinic)	2
Fluetsch (professional offices)	3
City of Lodi (parking lot/special events)	0
Dave Kirsten (Clear Wire store)	2
Hohn (Brodie Jane Photography)	2
Biddle (Vine & Branches)	2
Rehmke (Lodi Beer Company & Textures Hair Salon)	32
Total	**100**

APPROVED: _____

Stephen Schwabauer, Interim City Manager

The improvements have been completed in substantial conformance with approved building permit for the project. As agreed by all parties, the City would accept dedication of the improvements upon completion from the contracting agent, the Michael Fluetsch and Kristina Fluetsch Revocable Trust. Staff recommends approval of the Irrevocable Dedication provided in Attachment B.

FISCAL IMPACT: None.

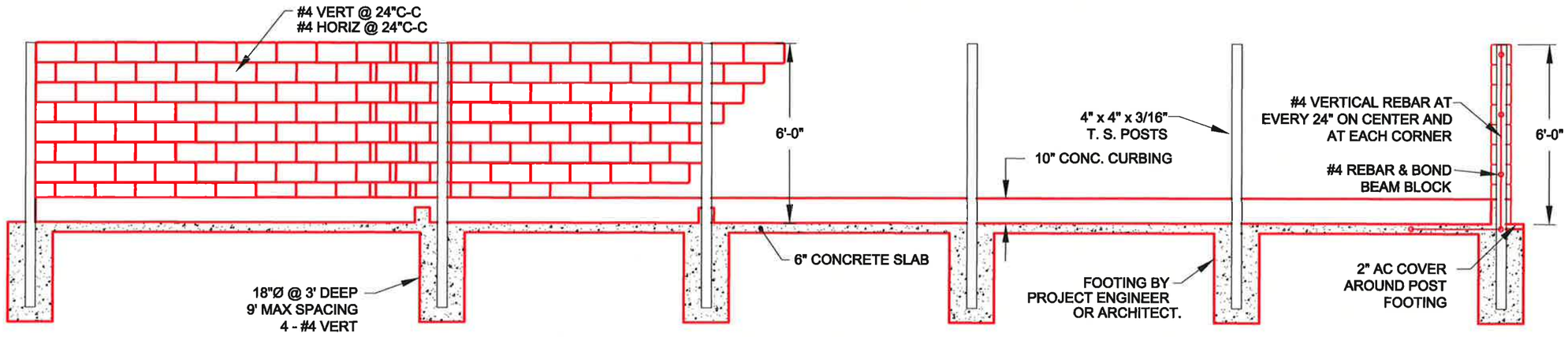
FUNDING AVAILABLE: Not applicable.

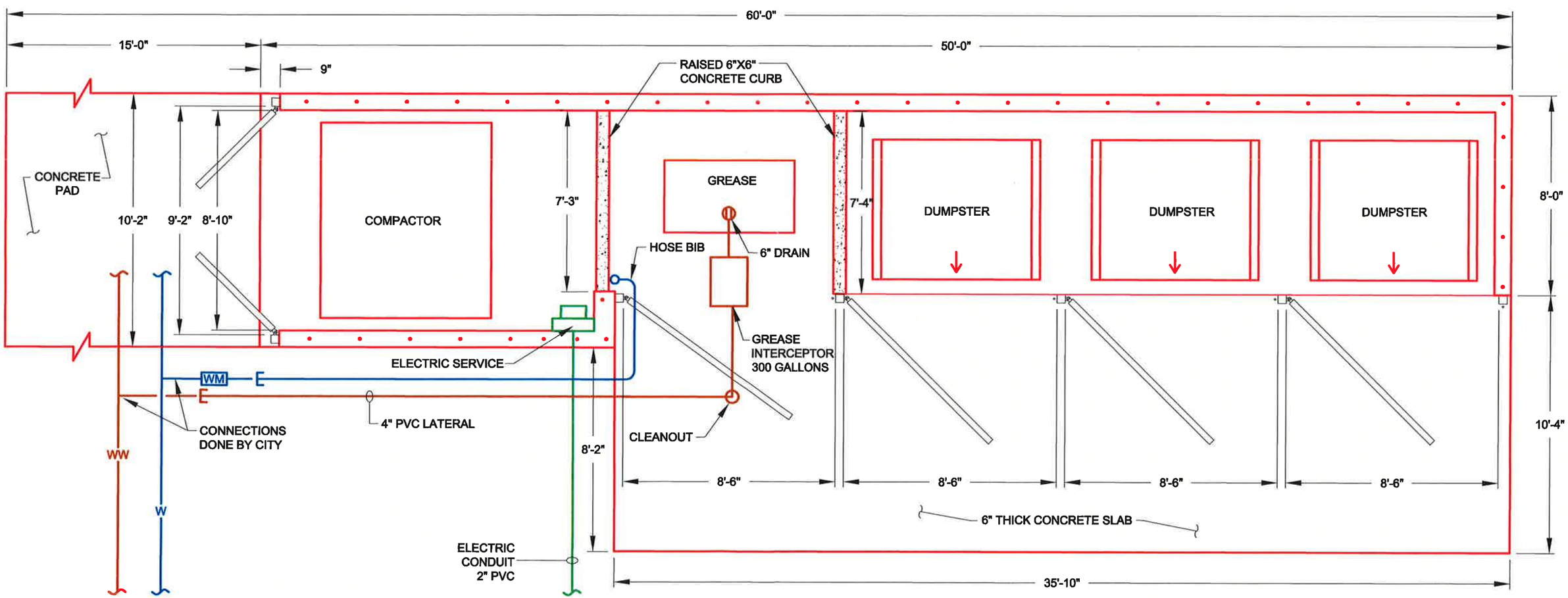
F. Wally Sandelin
Public Works Director

FWS/pmf
Attachments
cc: Michael Fluetsch and Kristina Fluetsch Revocable Trust

Attachment A

NOTES:
1. ALL CONCRETE SHALL INCLUDE MACRO FIBERS





NO.	DATE		BY	DRAWN AJD	DESIGN AJD	SCALE 1/4" = 1'	JOB NUMBER	CITY OF LODI PUBLIC WORKS DEPARTMENT	WOOLWORTH SITE TRASH ENCLOSURE PLAN & ELEVATION	12X003-2
				CHECKED	DATE	APPROVED				
				RECORD DWG		PUBLIC WORKS DIRECTOR RCE NO. 39895	DATE			

K:\CADD\EXHIBITS\2012\12X003\12X003.dwg, PLAN & ELEV, 6/26/2012 8:47:19 AM, jpizzo

Attachment B

IRREVOCABLE DEDICATION OF IMPROVEMENTS
TO THE CITY OF LODI

THIS AGREEMENT is made and entered into the _____day of April, 2014, by and between the City of Lodi, a municipal corporation ("CITY") and MICHAEL FLUETSCH and KRISTINA FLUETSCH, as Trustees of the Michael Fluetsch and Kristina Fluetsch Revocable Trust, ("GRANTORS"). This Agreement is made with reference to the following facts:

WHEREAS, GRANTORS constructed certain improvements in a City-owned public parking lot located on Church Street, between Walnut and Oak Streets, in Lodi, California (Parking Lot"), the location of which are more particularly described in Exhibit A ("Woolworth Trash Enclosure Site Plan"); and

WHEREAS, GRANTORS desires to dedicate to, and CITY desires to accept the improvements referred to as the Woolworth Trash Enclosure and more particularly described in Exhibit B attached hereto and incorporated herein (the "Improvements"); and

WHEREAS, the Improvements will provide certain property owners with trash disposal facilities; and

WHEREAS, the Improvements are more efficient and more visually appealing than the numerous dumpsters previously located in the Parking Lot, and insure that trash and rubbish is not scattered in the Parking Lot or onto the adjoin street; and

WHEREAS, in consideration of GRANTORS' dedication, City has paid GRANTORS the sum of $19,900.00 for the Improvements.

NOW THEREFORE in consideration of the mutual promises and consideration contained in this Agreement, the parties mutually agree as follows:

1. Entire Agreement:

This is the entire agreement between the parties for the GRANTORS' dedication of the Improvements to CITY. GRANTORS shall not have any obligation to maintain the Improvements. This Agreement may only be amended in a writing signed by the parties.

2. Irrevocable Dedication.

By executing this Agreement, GRANTORS irrevocably dedicate the Improvements to CITY.

3. CITY shall:

Have the right to relocate, reconstruct or expand the Improvements at its own expense and in its sole discretion.

///

///

4. Binding on Successors and Assigns:

This Agreement shall be binding on and inure to the benefit of the respective heirs, successors and assigns of the parties to this Agreement.

5. Consent of CITY:

CITY consents the dedication of the Improvements on the terms and conditions set forth above.

IN WITNESS WHEREOF, the City of Lodi and the Grantors have executed this Agreement.

CITY OF LODI, a municipal corporation

By:_____
STEPHEN SCHWABAUER
Interim City Manager

ATTEST:

By:_____
RANDI JOHL-OLSON
City Clerk

APPROVED AS TO FORM:

By:_____
JANICE D. MAGDICH
Interim City Attorney

GRANTORS

By:_____
MICHAEL FLUETSCH, as Trustee
of the Michael Fluetsch and Kristina
Fluetsch Revocable Trust

By:_____
KRISTINA FLUETSCH, as Trustee
of the Michael Fluetsch and Kristina
Fluetsch Revocable Trust

EXHIBIT A

CITY OF LODI

PUBLIC WORKS DEPARTMENT

Woolworth Trash Enclosure Site Plan

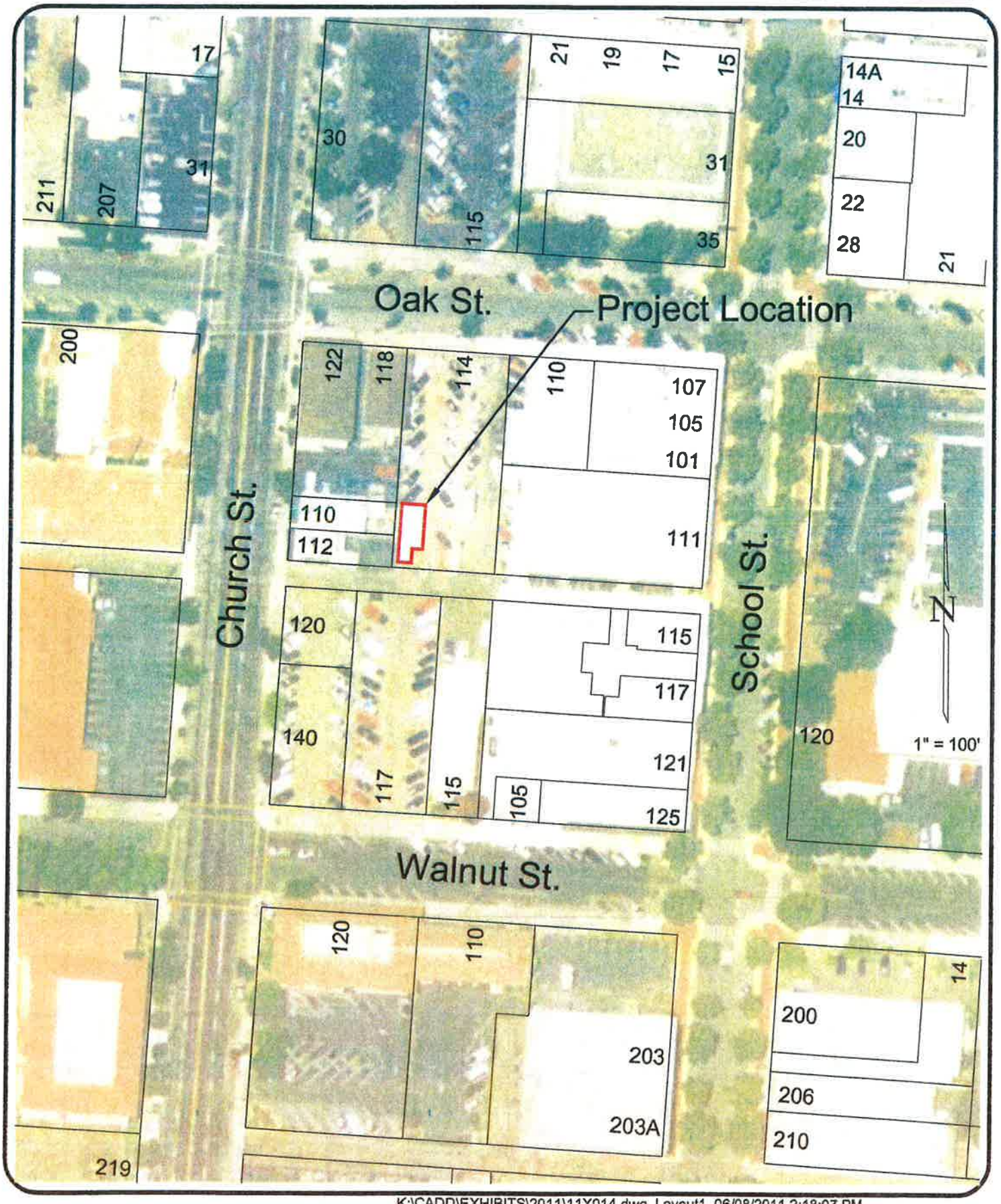


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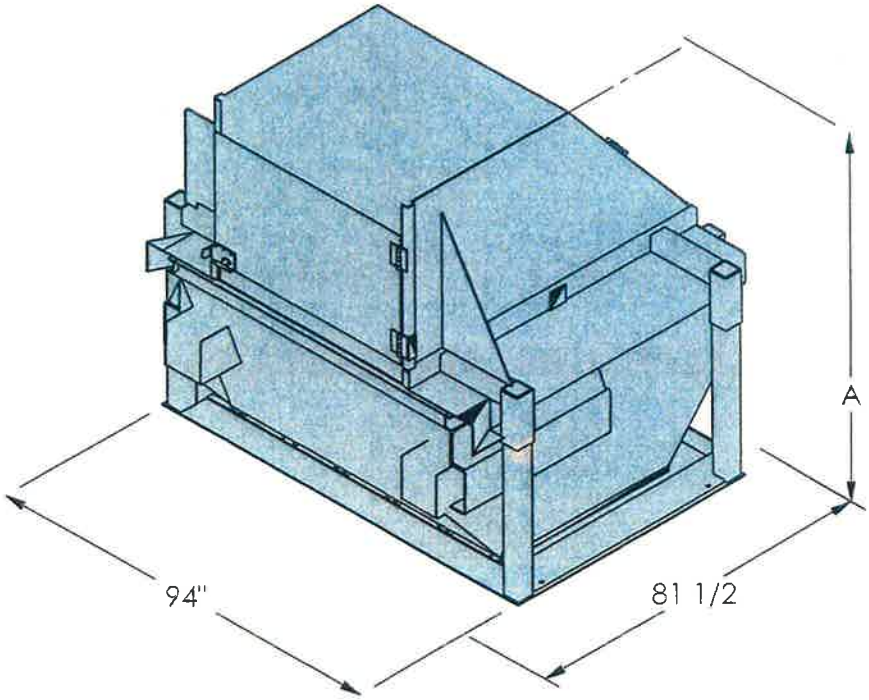
EXHIBIT B

Woolworth Trash Enclosure

Project Description:

The project is described as the improvements and utility services approved for construction in Permit B110780 issued by the City on October 9, 2013, and generally described therein, and as presented on construction plans 12X003-1 through 4. The improvements consist of a concrete block enclosure with steel doors to accommodate three recycling bins, one kitchen waste bin, and one vertical waste compactor. Utilities provided to the site include water service, electric service, and wastewater service. The location of the improvements is shown on the Woolworth Trash Enclosure Site Plan (Exhibit A). The specifications for the vertical trash compactor are provided in the manufacturer's submittals which are attached hereto.

CRAM-A-LOT®
J.V. Manufacturing, Inc.
Solid Waste & Recycling Equipment



Specifications

Special modifications quoted upon request

GENERAL:

Dimensions	Length	81-1/2"
	Width	94"
Clear Top Opening		48" L x 31" W
Load Height	See Chart	
Cycle Time		37 seconds
Ram Force	Normal	25,100 lbs
	Maximum	30,200 lbs
Ram Penetration		29.5"
Ram Face Dimensions		48" W x 35" L
Weight	See Chart	

CONSTRUCTION:

Container	Floor	11 gage
	Sides	11 gage
Presshead	Face	1/4" Steel Plate Sweeping Blade Design
Chassis		4" x 2" Structural Steel Tube

ELECTRICAL:

Motor	3 hp
Voltage	208-230/460 VAC 60 Hz Three Phase
Optional Voltage	230 VAC 60 Hz Single Phase

HYDRAULIC:

Pump Type	Vane	
Pump Capacity		3 gpm
Tank Capacity		8 gal
Hydraulic Cylinder	Bore	4"
	Stroke	18"
	Rod	2"
Operating Pressure	Normal	2,000 psi
	Maximum	2,400 psi

MODEL	A	WEIGHT
CV-03	46-3/4"	3,460 lbs
CV-04	46-3/4"	3,625 lbs
CV-06	58-7/8"	3,810 lbs
CV-08	73-1/4"	4,145 lbs

All information is subject to engineering and/or other changes without notice

Vertical Compactor

Replaces Costly Open Containers - Requires Limited Space

FEATURES

- UL/CUL listed Control Panel
- Integral Power Unit
- Control Panel built into side of Compactor
- Key operated controls
- Automatic single-cycle operation
- Door safety interlock
- Available with 3yd, 4yd, 6yd and 8 Yard Container Capacities

CRAM-A-LOT's Vertical Compactors are designed to save space and eliminate the mess of multiple Front Load containers. Less trips by the hauling company mean savings to both the customer and the hauler. Less mess means fewer unwanted pest/rodents.

DESIGN FEATURES

- Engineered combination of feed door and press head operation eliminates trash from passing by the press head
- No hydraulic lines attached to the container eliminates the need for driver to get out of the truck, saving time and money
- Eliminates the unsightly mess of spillage by the hauler
- Rugged construction provides long life
- Compaction Ratios on Average of 4 to 1 depending on material mix
- Ideal for Resturants, Fast Food locations, Shopping Centers, Supermarkets, Hospitals, Schools, Nursing Homes, and hotels

LOADING CAPABILITIES

- Can be loaded from the front or rear
- Load from the ground, off a dock, or through the wall
- Feed heights starting at 46 ¾"

USER FRIENDLY

- Convenient location of control panel

SAFETY

- Door Safety Interlock
- Highly visible "Safe To Haul Light"
- Removable key for authorized operator usage

May 14, 2010
City of Lodi
Woolworth's Place
Compactor Costs

New Compactor Rental, Lease, and Purchase Pricing						
Waste/Service Type	*Qty*	*Equipment*	*Bin Size*	*Service Frequency/Type*	*Service Charge*	*Rate Frequency*
New Compactor Lease $1,000 buyout	1	Compactor – Verti-Pack	3yard	N/A	$454.03	Per month
New Compactor Lease $5,000 buyout	1	Compactor – Verti-Pack	3yard	N/A	$386.94	Per month
New Compactor Rental	1	Compactor – Verti-Pack	3 yard	N/A	$371.09	Per month
Purchase	1	Compactor – Verti-Pack	3yard	N/A	$20464.80	One time

*Electrical to the disconnect would be provided by City of Lodi
*Rental and lease prices include maintenance
*All prices include delivery and installation
*Service of the compactor would be provided by Waste Management
*Billing for the compactor would be connected to one building

Kristen Gramm
Waste Management
1333 East Turner Road
Lodi CA 95240
kgramm@wm.com

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
IRREVOCABLE DEDICATION OF SOLID WASTE
IMPROVEMENTS LOCATED AT 114 WEST OAK STREET

==========

WHEREAS, in 2012, the City of Lodi and Waste Management partnered with several property owners and business owners in the block bounded by Church Street, Oak Street, Walnut Street and School Street to clean up visual and odor blight caused by the collection of individual solid waste handling bins clustered together in the City's parking lot located at 114 West Oak Street; and

WHEREAS, the City and Waste Management contributed $19,900 and $34,100, respectively, toward the cost to construct a masonry block enclosure housing one solid waste compactor, three recycling bins, one grease storage unit, and the appurtenant utilities; and

WHEREAS, the property owners and business owners involved in the project have entered into an agreement setting forth the monthly percent shares of the cost for the Waste Management service, including an amortized repayment of the cost of the solid waste compactor. The agreement obligates all parties to use the new garbage facility for all trash, grease, and recycling and that they shall not allow other garbage cans, dumpsters, or grease receptacles on or around the property; and

WHEREAS, the improvements have been completed in substantial conformance with approved building permit for the project; and

WHEREAS, as agreed by all parties, the City would accept dedication of the improvements upon completion from the contracting agent, the Michael Fluetsch and Kristina Fluetsch Revocable Trust; and

WHEREAS, staff recommends approval of the Irrevocable Dedication.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Irrevocable Dedication of Solid Waste Improvements located at 114 West Oak Street, Lodi, California; and

BE IT FURTHER RESOLVED that the City Council does hereby authorize the Interim City Manager to execute the agreement.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-17

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving City's Financial Participation in Busy Bee Cleaners Site Decommissioning ($47,188) and Appropriating Funds ($52,000)

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution approving City's financial participation in Busy Bee Cleaners Site Decommissioning in the amount of $47,188 and appropriating funds in the amount of $52,000.

BACKGROUND INFORMATION: During operation of the Busy Bee Cleaners, tetrachloroethene (PCE) was recovered from dry cleaning process wastewater and recycled. Some PCE was also routinely discharged into the wastewater during normal operations. Dry cleaning operations ceased in 1996.

From 1989 through 2004, extensive site investigation activities were conducted to evaluate the degree and size of PCE impacts to the subsurface at and near the site. In 2008, site cleanup commenced with the startup of two remediation systems operated by E2C Remediation. Funding for the site cleanup was provided by the Busy Bee Cleaners' insurance companies. In 2012, the remediation systems were shut down as it was no longer cost-effective to operate the systems due to reduction of contaminants to very low concentrations.

In 2013, the Site Decommissioning Workplan was approved by the Regional Water Quality Control Board. The decommissioning work is complete and included the abandonment of one extraction well, 22 groundwater monitoring wells, 38 groundwater air sparge wells, and 29 vapor extraction wells. Piping was abandoned in place, street and parking lot surfaces were restored, and the treatment equipment was removed.

Previously, the City Council was informed about the Busy Bee Cleaners Site Cleanup and approved in concept the City's financial participation in the decommissioning work. A summary of the decommissioning costs shared by E2C, Unigard Insurance Company and the City is provided as Attachment A. The estimated final City share of the decommissioning cost is $47,188. City Council is requested to approve this expenditure from the Busy Bee Plume Fund. An appropriation of $52,000 is requested that includes a 10% contingency.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Requested Appropriation: Busy Bee Plume Fund (192101)

_____
Jordan Ayers
Deputy City Manager/Internal Services Director

_____
F. Wally Sandelin
Public Works Director

FWS/pmf
Attachment

APPROVED: _____
Stephen Schwabauer, Interim City Manager

Totals	Total	Insurer Total	Insurer Credit	Insurer to Pay	City Total	City Credit	City to Pay	E2C Total	E2C Credit	E2C to Pay
E2C Fees	38264.70	10,000		10,000		10,000	10,000		18,264.70	
Drilling (orig. estimate)	52,040	26,020		26,020	26,020		26,020	0	0	0
Drilling (increase over estimate) 73,600.50 - 52,040.00 = $21,560.50	21,560.50	7186.83		7186.83 + 147.50 7334.33	7186.83		7186.83 + 147.50 7334.33	7186.83		7186.33 - 295.00 6891.33
Permit	11,455	5727.50	5727.50	0	5727.50	5727.50	0	0	0	0
Asphalt	11,500	3833.33		3833.33	3833.33		3833.33	3833.33		3833.33
Total to Pay				47187.66			47187.66			10,725.16

Attachment A

1. AA# _____
2. JV# _____

CITY OF LODI
APPROPRIATION ADJUSTMENT REQUEST

TO:	Internal Services Dept. - Budget Division		
3. FROM:	Rebecca Areida-Yadav	5. DATE:	4/22/2014
4. DEPARTMENT/DIVISION:	Public Works		

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	192		3205	Fund Balance	$ 52,000.00
B. USE OF FINANCING	192	192101	8099	Busy Bee Oversight	$ 52,000.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

Decommissioning costs related to the PCE/TCE Busy Bee Plume site.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.

Department Head Signature: Wally Sandelin

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager Date

Submit completed form to the Budget Division with any required documentation.
Final approval will be provided in electronic copy format.

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL APROVING THE CITY'S FINANCIAL PARTICIPATION IN THE BUSY BEE CLEANERS SITE DECOMMISSIONING AND FURTHER APPROPRIATING FUNDS

==========

WHEREAS, during operation of the Busy Bee Cleaners, tetrachloroethene (PCE) was recovered from dry cleaning process wastewater and recycled; however, some PCE was routinely discharged into the wastewater during normal operations; and

WHEREAS, from 1989 through 2004, extensive site investigation activities were conducted to evaluate the degree and size of PCE impacts to the subsurface at and near the site. In 2008, site cleanup commenced with the startup of two remediation systems operated by E2C Remediation. In 2012, the remediation systems were shut down as it was no longer cost-effective to operate the systems due to reduction of contaminants to very low concentrations; and

WHEREAS, in 2013, the Site Decommissioning Workplan was approved by the Regional Water Quality Control Board. The decommissioning work is complete and included the abandonment of one extraction well, 22 groundwater monitoring wells, 38 groundwater air sparge wells, and 29 vapor extraction wells. Piping was abandoned in place, street and parking lot surfaces were restored, and the treatment equipment was removed; and

WHEREAS, staff recommends approval of the City's financial participation in the site decommissioning in the amount of $47,188 and appropriation of $52,000 to include a 10% contingency.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the City's financial participation in the Busy Bee Cleaners site decommissioning in the amount of $47,188; and

BE IT FURTHER RESOLVED that funds in the amount of $52,000 be appropriated from the Busy Bee Plume Fund.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-18

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Active Transportation Program Grant Application

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute Active Transportation Program grant application.

BACKGROUND INFORMATION: The Active Transportation Program (ATP) is intended to improve and enhance the safety of pedestrian and bicycle facilities, increase the proportion of biking and walking trips, and increase mobility for nonmotorized users.

Staff recommends submitting an application for design and environmental review costs for the Century Boulevard Pedestrian and Bicycle Bridge Overcrossing that provides a pedestrian and bicycle connection between West Century Boulevard and East Century Boulevard (Exhibit A). The project will serve students that cross the railroad track in the Tokay High School vicinity.

Based on the information provided by the Lodi Unified School District, approximately 40 percent of Tokay High School students live east of the railroad track. Currently, there is a fence (approximately 10 feet high) located at the east end of Century Park, along the west side of the railroad track right-of-way, to discourage pedestrian crossing. On April 22, 2014, staff conducted a field survey and observed at least 10 students crossing the railroad track at this location.

According to the Union Pacific Railroad Company, there have been at least six fatalities at this location since 2005. The pedestrian and bicycle bridge overcrossing would provide a shorter and safer route to Tokay High School, encourage more students to walk and bike to school, and reduce train vs. pedestrian accidents occurring at this location.

The estimated design and environmental review cost for this project is $950,000.

FISCAL IMPACT: The ATP provides funds for 88.53 percent of the project total ($841,035). There is a local match requirement for the project of 11.47 percent ($108,965).

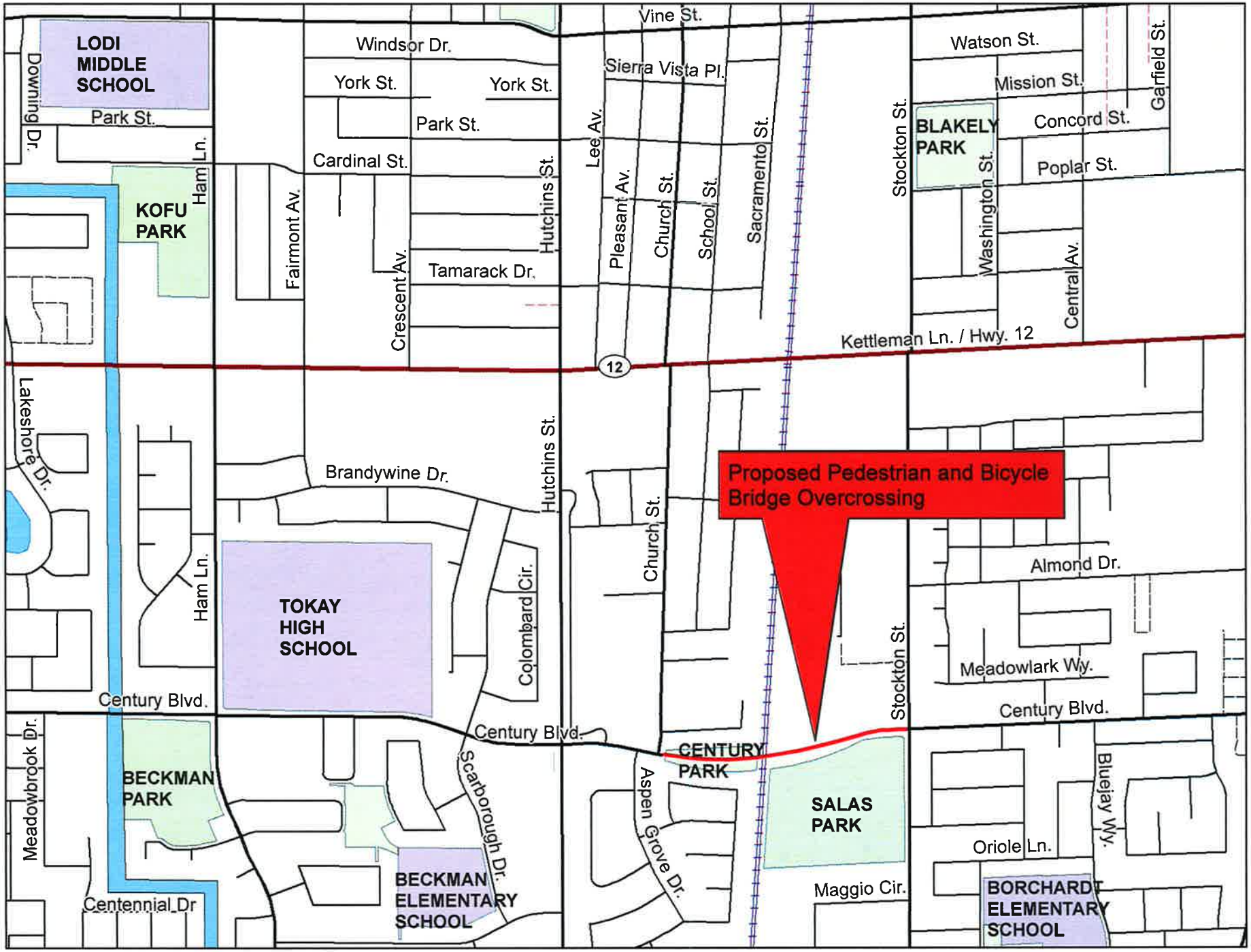
FUNDING AVAILABLE: Funding for the local match will be from Measure K Fund (325).

_____
Jordan Ayers
Deputy City Manager/Internal Services Director

_____
F. Wally Sandelin
Public Works Director

Prepared by Dorothy Kam, Assistant Engineer
FWS/DK/pmf
Attachment

APPROVED: _____
Stephen Schwabauer, Interim City Manager



Century Blvd Pedestrian and Bicycle Overcrossing

Location map

Path: G:\ESRI Maps\Traffic\DKam\ATP Grant 2014.mxd

N
W E
S

1 in = 1,000 ft

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE AN ACTIVE
TRANSPORTATION PROGRAM GRANT APPLICATION

==========

WHEREAS, the Active Transportation Program is intended to improve and enhance the safety of pedestrian and bicycle facilities, increase the proportion of biking and walking trips, and increase mobility for nonmotorized users; and

WHEREAS, staff recommends submitting an application for design and environmental review costs for the Century Boulevard Pedestrian and Bicycle Bridge Overcrossing that provides a pedestrian and bicycle connection between West Century Boulevard and East Century Boulevard; and

WHEREAS, based on the information provided by the Lodi Unified School District, approximately 40 percent of Tokay High School students live east of the railroad track; and during a recent field survey, staff observed at least 10 students crossing the railroad track at this location; and

WHEREAS, according to the Union Pacific Railroad Company, there have been at least six fatalities at this location since 2005; and

WHEREAS, the pedestrian and bicycle bridge overcrossing would provide a shorter and safer route to Tokay High School, encourage more students to walk and bike to school, and reduce train vs. pedestrian accidents occurring at this location.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute an Active Transportation Program grant application for design and environmental review costs for the Century Boulevard Pedestrian and Bicycle Bridge Overcrossing.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

AGENDA ITEM C-19

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Authorize City Attorney to Issue "Comfort Letter" to AH Wines, Inc., of Lodi, for 25, 27 and 31 East Vine Street

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Authorize City Attorney to issue "Comfort Letter" to AH Wines, Inc., of Lodi, for 25, 27 and 31 East Vine Street.

BACKGROUND INFORMATION: AH Wines, Inc., is in the process of purchasing land located at 25, 27, and 31 East Vine Street and plans to construct a wine manufacturing, storage and bottling facility. The property is located in the vicinity of the Southern PCE Plume and the lender has expressed concerns regarding liability exposure of the property.

The "Comfort Letter" has been requested by the property owner and is provided as Attachment A. Similar letters have been issued in the past to other property owners upon their request.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

FWS/pmf
Attachment

APPROVED: _____
Stephen Schwabauer, Interim City Manager

Attachment A

CITY HALL
221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6701
(209) 333-6807 FAX

CITY OF LODI

CITY ATTORNEY'S OFFICE

JANICE D. MAGDICH
City Attorney

May 8, 2014

Mr. Richard W. Gerlach
Vice President of Finance
AH Wines, Inc.
9 West Locust Street
Lodi, CA 95240

SUBJECT: 25, 27 and 31 East Vine Street, Lodi, CA

Dear Mr. Gerlach:

AH Wines, Inc., is in the process of purchasing land located at 25, 27 and 31 East Vine Street in Lodi situated within the Lodi Southern Plume Area (SPA). The SPA is a groundwater plume containing Tetrachloroethene (PCE). The City of Lodi has entered into settlements with all of the parties who are known to have contributed contamination to the SPA and has undertaken the obligation to clean up the contaminated soil and groundwater in the SPA.

This letter will confirm that the City Council authorized me at its meeting on May 21, 2014, to affirm that the City of Lodi will not pursue environmental claims against AH Wines, Inc., or its successors or assigns under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), or under any other environmental liability theory (such as nuisance) for the contamination in the SPA. This statement of intent does not apply to liabilities that could arise if AH Wines, Inc., or its successors or assigns actually contribute at some future date to the contamination.

If you have any questions or concerns regarding this matter, please contact me.

Sincerely,

Janice D. Magdich
City Attorney

cc: City Council
City Clerk

AGENDA ITEM C-20

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Set a Public Hearing for May 21, 2014, to Consider Adopting a Resolution Approving the Planning Commission's Recommendation to Authorize 145 Low Density Residential, 55 Medium Density Residential and 88 High Density Residential Growth Management Allocations for Van Ruiten Ranch Subdivision

MEETING DATE: May 7, 2014

PREPARED BY: Interim Community Development Director

RECOMMENDED ACTION: Set a Public Hearing for May 21, 2014, to consider adopting a resolution approving the Planning Commission's recommendation to authorize 145 Low Density Residential, 55 Medium Density Residential and 88 High Density Residential Growth Management Allocations for Van Ruiten Ranch Subdivision.

BACKGROUND INFORMATION: As part of the City's Growth Management program, the Planning Commission reviews the requests that have been submitted to the City. Following a public hearing, the Commission makes a recommendation for City Council consideration.

On April 9, 2014, the Planning Commission held a public hearing regarding the 2014 Residential Growth Management Development Allocation. At this hearing the Planning Commission reviewed a request by Van Ruiten Ranch, Ltd. for (i) Growth Management Allocation for 145 Low-Density Residential Lots, 55 Medium-Density Residential Lots and 88 High-Density Units; (ii) a Vested Subdivision Map for the Proposed Van Ruiten Ranch Subdivision, a 74-acre, 288-unit subdivision; and (iii) adopted Development Standards for the subdivision known as Van Ruiten Ranch Subdivision located within Planned Development 41 Zoning District.

The Commission received a staff report, heard the staff presentation; asked questions of staff as well as the applicant, opened the hearing to the public for testimony in support and in opposition to the application, closed the public hearing and voted 5-0 to recommend the City Council approve the applicant's request for 145 Low-Density Residential, 55 Medium-Density Residential, and 88 High-Density growth management allocation units and approve the Final Map for the project.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

_____
Stephen Schwabauer
Interim Community Development Director

APPROVED: _____
Stephen Schwabauer, Interim City Manager

Comments by the public on non-agenda items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

Comments by the City Council Members on non-agenda items

AGENDA ITEM G-01

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Public Hearing to Consider Adopting Resolution Setting Future Water, Wastewater and Solid Waste Rate Schedules Pursuant to Proposition 218 for Residential, Commercial and Industrial Customers

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Public hearing to consider adopting resolution setting future water, wastewater and solid waste rate schedules pursuant to Proposition 218 for residential, commercial, and industrial customers.

BACKGROUND INFORMATION: Rate schedules and rates analysis information were supplied to the City Council at the October 15, 2013 Shirtsleeve meeting prior to mailing Proposition 218 protest hearing notices and preliminary to a public hearing to consider adopting the various rate schedules for the period from May 8, 2014 through December 31, 2018. A second set of Proposition 218 protest notices (English and Spanish translations) were mailed to approximately 50,000 addresses pursuant to City Council direction on February 19, 2014. The various rate schedules set maximum limits on the various rates for the next five years, and each year the City Council will be requested to approve the actual rates to be implemented. At the public hearing, the City Council will be asked to receive public comment and adopt a resolution setting future adjustments to water, wastewater and solid waste rates **with limits** for the period May 8, 2014 through December 31, 2018; approving property owner meter charge schedule; and approving vacant residential water and wastewater rates.

1. Property Owner Meter Charge Schedule At the March 26, 2012 City Council meeting, various alternative property owner meter charge schedules were presented to the City Council. Prior policy direction from the City Council set the charge for a single-family residential ¾-inch water meter at $300. As the Water Meter Program moves into the multi-family and non-residential properties, larger meters will be required and a meter charge schedule based upon meter size needs to be established. Presented in Exhibit A is the recommended meter charge schedule, along with previously-presented alternatives. The recommended charge schedule is based upon the actual purchase price for the meter assembly (meter, register, and radio transmitter) plus 55 percent, which is identical to the ¾-inch residential meter charge basis. The 55 percent covers a portion of the cost of the meter box, miscellaneous piping, and installation. The capacity-based charge schedule sets the meter cost according to the hydraulic capacity of the meter. The installed cost is based upon contractor bid prices from construction for phases 1 through 3. The Lodi charge schedule is taken from the City's published Fee and Service Charge Schedule. Comparative charges from the City of Santa Clara are listed, and they are fairly consistent with the recommended schedule, particularly considering most of the meters remaining to be installed are ¾ to 1 inch in size. An additional column showing "no charge" is provided upon the request of the mobile home park owners. All options presented in Exhibit A have been included in the Proposition 218 notice and the City Council will be asked to select and approve a single option at the public hearing.

APPROVED: _____
Stephen Schwabauer, Interim City Manager

2. Vacant Residential Unit Water and Wastewater Rate Staff recommends the vacant residential unit water and wastewater utility charge for customers without a metered service be equal to the monthly base charge for metered customers having the same size of meter in their future service. There would not be a specific vacant unit charge for the following customer classes as explained.
    - Vacant single family detached with meter – customers would pay the monthly base rate and presumably there would be no usage and, therefore, no usage charge.
    - Vacant single family attached (duplex, triplex, fourplex – master meter) – property owners would pay the monthly base rate and usage charges for the occupied units.
    - Vacant single family attached (duplex, triplex, fourplex – individual meter) – customers would pay the monthly base rate and presumably there would be no usage and, therefore, no usage charge.
    - Vacant apartment/condominium (master meter) – property owners would pay the monthly base rate and usage charges for the occupied units.
    - Vacant apartment/condominium (individual meter) – property owners would pay the monthly base rate and presumably there would be no usage and, therefore, no usage charge.
    - Vacant mobile home (master meter) – property owners would pay the monthly base rate and usage charges for the occupied units.

3. Water and Wastewater Rate Update In 2009, the City Council approved a five-year rate program for the wastewater utility and in 2010 for the water utility. Each separate action by the Council complied with the Proposition 218 requirements pertaining to such actions. The last pre-approved rate adjustment under that program was for the water utility, and a 2.5 percent increase effective February 15, 2014, below the 3.3 percent ENR index increase, was approved at a public hearing held on December 18, 2013. A summary of the programmed rate adjustments and the implemented rate adjustments for the past five years is provided in the table in Exhibit B. The purpose of this table is to demonstrate past rate increases have frequently been below the approved adjustments.

    In preparation of the new five-year program, staff engaged the services of The Reed Group to analyze the financial models and current rate structure within both utilities. The final report, Water and Wastewater Rate Update Study, is provided in Exhibit C.

    Staff is recommending a new five-year rate adjustment program for water, wastewater and solid waste that will be subject to the Proposition 218 process. As in the past, rate adjustment forecasts are based upon the financial models for each utility. The water and wastewater financial models are provided in Exhibits D and E, respectively. For both the water and wastewater utilities, the programmed adjustments are capped at three percent per year. Important elements of the financial models are presented below.

    Water Financial Model
    1. Financial assumptions presented on the final page were checked and reconfirmed against actual numbers.
    2. Annual adjustments are capped at three percent and are indexed by the Engineering News Record 20-Cities Average Index.
    3. Capital expenditures continue for the next four years of the Water Meter Program and include installation of meters at multi-family and non-residential customer locations.
    4. Debt service payments for the water treatment facilities are approximately $2.3 million per year.
    5. New development revenue toward payment of the water plant debt service is assumed minimal to retain the utility's high bond rating.

6. Maintenance is scheduled for all wells in the system, amounting to approximately $1.2 million.
7. Residual bond proceeds from the water treatment facilities financing, amounting to approximately $2.3 million, are now shown in the financial model and will be used to pay debt service in a future year.
8. Net available capital at the end of Fiscal Year 2018/19 could be used to pay off a portion of the water treatment facilities debt at a considerable interest savings to our customers.

Wastewater Financial Model

1. Financial assumptions presented on the final page were checked and reconfirmed against actual numbers.
2. Annual adjustments are capped at three percent and are indexed by the Engineering News Record 20-Cities Average Index.
3. Wastewater main rehabilitation continues at an investment rate of approximately $2.2 million every other year.
4. The 2003 Certificates of Participation debt service is paid off in the first year, amounting to approximately $3.2 million.
5. Debt service payments for the improvements at White Slough are approximately $3.5 million per year.
6. New development revenue toward payment of the wastewater plant debt service is assumed minimal to retain the utility's high bond rating.
7. Capital expenditures are planned, amounting to approximately $11.4 million, to improve the irrigation conveyance and pumping facilities and to expand the secondary/industrial storage at White Slough in the latter two years of the model.
8. Net available capital at the end of Fiscal Year 2018/19 could be used to pay off a portion of the wastewater treatment facilities debt at a considerable interest savings to our customers.

At the January 6, 2010 City Council meeting to consider setting usage-based rates for water and wastewater, the following information was provided. *"The City has an existing usage-based rate structure for non-residential customers, and it is recommended that rate structure be maintained for those non-residential accounts for the time being. This structure includes a monthly base charge referenced to the meter size and a commodity charge of $0.537 per CCF as presented in Exhibit C. It needs to be noted that the non-residential commodity charge is approximately one-half of the weighted average residential commodity charge ($.537 versus $1.11 per CCF) and that future work will need to be done to amend the non-residential rate structure to make it more comparable to the residential commodity charge rate. Both the base charge and commodity charge are likely to be increased."*

The recommendations within the rate study provided in Exhibit C present a transition plan to implement the abovementioned structural changes to the rates. In addition, the rate study addresses the following issues concerning the City's water and wastewater utilities and user rates.

A. Estimated annual water and wastewater rate revenue requirements for the next five years
B. Current flat and usage-based water and wastewater rate structures
C. Water and wastewater customer account, water usage, and wastewater flow characteristics and influence on rate setting
D. Cost of service and rate design issues related to development of new usage-based water and wastewater rate structures
E. Recommendations for new water and wastewater rate schedules over the next five years

F. Affects of the proposed new water and wastewater rates on various residential and non-residential customers
G. Transition plans to usage-based water and wastewater rates for each customer classification

A summary of each of the above issues is provided in Section I of the rate study. More detailed information and analysis is provided in Sections II and III. A summary of the programmed rates for water and wastewater with the three percent adjustment and the structural changes are presented in Exhibit F and will be included in the Proposition 218 notice.

4. Solid Waste Rates The existing agreement with Waste Management for Solid Waste Collection, Recycling and Green Waste Collection and Processing Services in the City of Lodi (Agreement) was adopted in 2008 and extends until December 31, 2023. An amendment to the Agreement was approved in 2010 that gives the Contractor the unilateral option to extend the Agreement until December 31, 2030. Section 7 Rates, paragraphs b. and c. of the Agreement establish provisions for annual adjustment to the rates that are repeated below.

b. On April 1, 2009, and on each anniversary thereof during the term of this Agreement, the rates shall be adjusted in a percentage amount equal to eighty percent (80%) of the annual change in the Consumer Price Index for all Urban Consumers for San Francisco-Oakland-San Jose, California area (CPI), All Items (1982 – 84 = 100) published by the Bureau of Labor Statistics (the Index) for the twelve (12) month period ending December 31 of the preceding calendar year.
c. In January of each year, Contractor shall send to City a revised rate schedule reflecting the new rates, as adjusted by the Index as provided in Section 7.b. City Council will act on rate adjustments to be effective on April 1 of that year.

Staff recommends Council approve an annual rate adjustment that, at Waste Management's option, would be either (a) 80 percent of the annual change in the CPI, plus an adjustment for extraordinary increases in landfill fees, fuel and energy costs and changes in law up to 100 percent of the annual change in the CPI, or (b) 100 percent of the annual change in the CPI without those other adjustments but with a certification that Waste Management's costs had increased by more than 100 percent of the change in the CPI. Any increase greater than 100 percent of the CPI would require a separate Proposition 218 procedure and is subject to City Council approval. This change would simplify the rate adjustment process by generally making any changes in fuel, landfill and energy costs inclusive in the rate adjustment.

In addition, a new category of solid waste rates is added titled, "Commercial Compactor Rates" that apply to the smaller commercial waste compactors like those existing at Lodi Cinema 12 and in the City parking lot adjacent to the Woolworth Building. This rate schedule is provided in Exhibit G.

FISCAL IMPACT: Increased revenues are required to keep up with cost of service increases and new mandated costs.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

FWS/pmf
Attachments

Exhibit A

Meter Charge Alternatives

Meter Size	Purchase Price	Recommended Price Based (Cost x 1.55)	Capacity Factor	Capacity Based	Installed Cost (Contract Prices)	Lodi Fee Schedule	Santa Clara Fee Schedule	No Charge
¾	$194	$300	1	$300	$940	$400	$370	$0
1	$226	$350	1.67	$500	$1,420	$480	$365	$0
1 ½	$506	$780	3.33	$1,000	$3,810	$745	$1,565	$0
2	$624	$970	5.33	$1,600	$5,720	$930	$1,730	$0
3	$1,279	$1,980	10	$3,000	$5,950	N/A	$2,065	$0
4	$2,304	$3,570	16.67	$5,000	N/A	N/A	$4,130	$0
6	$4,362	$6,760	33.33	$10,000	N/A	N/A	$6,750	$0
8	$7,432	$11,520	53.33	$16,000	N/A	N/A	$10,670	$0

Exhibit B

Programmed and Implemented Rate Adjustments

Water

Year	Programmed	Implemented
2009	3.10 (1)	0
2010	0.73 (1)	0
2011	5.98 (2)	2
2012	2.53 (3)	2.2
2013	2.50 (3)	2.5
2014	3.30 (3)	2.5

(1) Consumer Price Index change
(2) Consumer Price Index change (December 2008 through December 2010)
(3) Engineering News Record Index change

Exhibit C

CITY OF LODI

Water and Wastewater Rate Update Study

Final Report

October 21, 2013

THE REED GROUP, INC.

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SECTION I. SUMMARY

INTRODUCTION

The City of Lodi continues to install water meters on unmetered service connections of single family, multi-family, and non-residential customers. The City expects to complete the meter retrofit program in 2018. At the beginning of each year, the City transitions batches of customers to usage-based water rates using data collected from water meters, and the City is also beginning to transition customers to usage-based wastewater rates as well.

In 2008, the City retained The Reed Group, Inc. to assist in developing financial plans and utility rates for the City's water and wastewater utilities. Various analyses have been performed since that time to help guide the City in dealing with a variety of water and wastewater rate and financial issues, including the transition to usage-based billing. The purpose of this report is to recommend water and wastewater rates that will meet each utility's financial needs and continue the transition towards usage-based billing for all customers.

This report addresses the following issues concerning the City's water and wastewater utilities and user rates:

- Estimated annual water and wastewater rate revenue requirements for the next five years
- Current flat and usage-based water and wastewater rate structures, and the need to continue to develop new usage-based rate structures
- Water and wastewater customer account, water usage, and wastewater flow characteristics and influence on rate setting
- Cost of service and rate design issues related to development of new usage-based water and wastewater rate structures
- Recommendations for new water and wastewater rate schedules, as well as adjustments in the level of the rates during the next five years
- Affect of the proposed new water and wastewater rates on various residential and non-residential customers
- Summary of plans to continue the transition to usage-based water and wastewater rates for each customer classification
- Plans and requirements for adopting new water and wastewater rates.

REVENUE NEEDS OF THE WATER AND WASTEWATER UTILITIES

Several years ago, The Reed Group, Inc. assisted the City by developing multi-year financial plan models for the water and wastewater utilities. These models enabled the City to evaluate the financial implications of the meter retrofit program, the construction and financing of the new surface water treatment plant, and other capital improvements of both utilities, as well as ongoing operation and maintenance costs, debt service obligations,

and other factors affecting the financial condition and needs of the utilities. Since that time, City staff has annually updated the financial plan models. The financial plan models have enabled the City to make near-term financial and rate decisions with a long-term planning horizon in mind, and this has led to the moderation and stabilization of annual rate increases for both utilities.

In recent years, annual water rate increases have been less than 3 percent, and wastewater rate increases have declined from double-digit levels down to 2.5 percent. Current financial plan models estimate annual water and wastewater rate increases can be limited to 3 percent per year through FY 19-20.

Proposed water and wastewater rate schedules presented in this report reflect an overall 2.5 percent increase in the level of water rate revenue in the upcoming year (effective in January 2014) and no more than 3 percent in the level of the wastewater rate revenue (effective in July 2014). Beyond that, it is recommended that the City re-adopt provisions to annually adjust water and wastewater rate increases by changes in the *Engineering News Record's* 20-Cities Construction Cost Index (ENR) for up to five years, subject to a 3 percent cap. These annual rate adjustments would also be subject to annual review by staff to confirm need and concurrence by the City Council.

PROPOSED WATER RATES

Proposed flat (unmetered) water rates are presented in **Exhibit I-1**, and proposed usage-based (metered) water rates are presented in **Exhibit I-2**. Both of these rate schedules reflect a 2.5 percent overall rate increase in January 2014 (based on previously approved indexing using the ENR), and 3.0 percent increases each January from 2015 through 2019 (reflecting the maximum allowed under the proposed indexing criteria). As the City will be phasing out the flat water rates as the meter retrofit program winds down, no changes to the structure of the flat rates are proposed.

Proposed usage-based water rates include a gradual, three-year transition in the structure. At present, the volumetric water rate for multi-family and non-residential accounts is equal to the first tier rate for single family customers. Under the proposed rates the uniform multi-family and non-residential rate will equal the weighted average across the single family tier structure, thereby bringing better balance across the various customer classes. In addition, monthly service charges should be adjusted to better reflect the capacity relationship across meter sizes, and thereby improve equity between large and small customers. Both of these changes are intended to better align the water rates with cost of service principles, as required by Proposition 218.

Exhibit I-2 includes the three years of phased rate structure changes in the rate schedules for 2014, 2015, and 2016. The 2014 schedule reflects the 2.5 percent overall annual rate revenue increase relative to current rates (with some rate components increasing and others decreasing each year), and the 2015 and 2016 schedules reflect the maximum indexing of 3.0 percent in each of those years. These transitional rate structures would be subject to downward adjustments in both 2015 and 2016 if the City Council determines that smaller increases are needed in those years.

Details of water rate recommendations are presented in Section II of this report.

Exhibit I-1
City of Lodi
Current and Proposed Flat Water Rates

			Future Rate Ceiling				
	Current (Jan. 2013)	Proposed (Jan. 2014)	Proposed (Jan. 2015)	Proposed (Jan. 2016)	Proposed (Jan. 2017)	Proposed (Jan. 2018)	Proposed (Jan. 2019)
Rate Increase -->		2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
FLAT RATES							
Single Family Residential							
1 Bedroom	$ 29.90	$ 30.65	$ 31.57	$ 32.52	$ 33.50	$ 34.51	$ 35.55
2 Bedroom	$ 35.91	$ 36.81	$ 37.91	$ 39.05	$ 40.22	$ 41.43	$ 42.67
3 Bedroom	$ 43.04	$ 44.12	$ 45.44	$ 46.80	$ 48.20	$ 49.65	$ 51.14
4 Bedroom	$ 51.72	$ 53.01	$ 54.60	$ 56.24	$ 57.93	$ 59.67	$ 61.46
5 Bedroom	$ 62.03	$ 63.58	$ 65.49	$ 67.45	$ 69.47	$ 71.55	$ 73.70
6 Bedroom	$ 74.44	$ 76.30	$ 78.59	$ 80.95	$ 83.38	$ 85.88	$ 88.46
Multi-Family (1)							
1 Bedroom	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
2 Bedroom	$ 30.79	$ 31.56	$ 32.51	$ 33.49	$ 34.49	$ 35.52	$ 36.59
3 Bedroom	$ 36.94	$ 37.86	$ 39.00	$ 40.17	$ 41.38	$ 42.62	$ 43.90
4 Bedroom	$ 44.32	$ 45.43	$ 46.79	$ 48.19	$ 49.64	$ 51.13	$ 52.66
Mobile Homes							
Any Size	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
Non-Residential							
Existing unmetered	Varies	+2.5%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%

Notes:
(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, and condominiums.

Exhibit I-2
City of Lodi
Current and Proposed Usage-Based Water Rates

				Future Rate Ceiling				
	Current (Jan. 2013)	**Proposed (Jan. 2014)**	**Proposed (Jan. 2014)**	**Proposed (Jan. 2015)**	**Proposed (Jan. 2016)**	**Proposed (Jan. 2017)**	**Proposed (Jan. 2018)**	**Proposed (Jan. 2019)**
Rate Increase -->		**2.5%** (2)	(3)	**3.0%** (4)	**3.0%** (4)	**3.0%**	**3.0%**	**3.0%**
USAGE-BASED RATES								
Monthly Service Charge								
Single Family								
3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 75.42	$ 77.31	$ 72.45	$ 69.63	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 119.79	$ 122.78	$ 114.71	$ 109.84	$ 101.52	$ 104.57	$ 107.71	$ 110.94
Multi-Family and Non-Residential (1)								
3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 60.24	$ 61.75	$ 62.08	$ 64.28	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 75.27	$ 77.15	$ 84.29	$ 94.17	$ 101.52	$ 104.57	$ 107.71	$ 110.94
3" meter	$ 105.38	$ 108.01	$ 132.74	$ 162.18	$ 187.65	$ 193.28	$ 199.08	$ 205.05
4" meter	$ 135.51	$ 138.90	$ 193.14	$ 254.80	$ 310.67	$ 319.99	$ 329.59	$ 339.48
6" meter	$ 195.68	$ 200.57	$ 333.69	$ 480.82	$ 617.94	$ 636.48	$ 655.57	$ 675.24
8" meter	$ 255.91	$ 262.31	$ 494.23	$ 747.94	$ 986.82	$ 1,016.42	$ 1,046.91	$ 1,078.32
10" meter	$ 316.01	$ 323.91	$ 674.61	$ 1,056.08	$ 1,417.30	$ 1,459.82	$ 1,503.61	$ 1,548.72
Usage Rates ($/CCF)								
Single Family								
Tier 1 (0-10 CCF)	$ 0.92	$ 0.94	$ 0.94	$ 0.97	$ 0.96	$ 0.99	$ 1.02	$ 1.05
Tier 2 (11-50 CCF)	$ 1.38	$ 1.41	$ 1.35	$ 1.33	$ 1.27	$ 1.31	$ 1.35	$ 1.39
Tier 3 (>50 CCF)	$ 1.82	$ 1.87	$ 1.76	$ 1.70	$ 1.59	$ 1.64	$ 1.69	$ 1.74
Multi-Family and Non-Residential (1)								
All water usage	$ 0.92	$ 0.94	$ 1.00	$ 1.09	$ 1.14	$ 1.17	$ 1.21	$ 1.25

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) This schedule includes the proposed indexing of 2.5 percent, with no rate structure changes.
(3) This rate schedule is revenue neutral relative to the proposed newly indexed January 2014 water rates, but includes the beginning of the proposed 3-year phased changes to the rate structure.
(4) These rate schedules reflect the second and third year of the 3-year rate structure phasing, as well as the maximum potential rate adjustment due to ENR indexing.

PROPOSED WASTEWATER RATES

Proposed flat (unmetered) wastewater rates are presented in **Exhibit I-3**, and proposed usage-based (metered) wastewater rates are presented in **Exhibit I-4**. Both of these rate schedules reflect 3.0 percent increases each July from 2014 through 2018 (reflecting the maximum allowed under the proposed indexing criteria). Similar to flat water rates, no changes to the structure of flat wastewater rates are proposed, as they will be phased out in upcoming years.

In 2010, the City developed usage-based wastewater rates for single family customers. In July 2012, the City transitioned about 2,940 single family customers to the usage-based wastewater rates, expects to transition an additional 3,700 in July 2014, and will continue each year with more. However, usage-based wastewater rates for other customer classes are not currently available. The usage-based wastewater rates proposed herein include fixed monthly service charges and volumetric rates for all customer classes. While the rate schedule includes usage-based rates for non-residential uses, the City plans to focus on transitioning single family and multi-family residential customer to usage-based rates, and then transition non-residential customers. Rate structure transition issues are discussed in greater in Section III of this report. Additional refinements to the rate structure will be required as the City gains data and experience with the usage-based rates, as well as categorizes non-residential customers into appropriate strength classifications.

Details of wastewater rate recommendations are presented in Section III of this report.

ANNUAL ADJUSTMENTS TO WATER AND WASTEWATER RATES

Government Code Section 53756 authorizes the City to adopt a mechanism for adjusting water and wastewater rates to offset the affects of inflation for up to five years. Consistent with past practices, it is recommended that, in approving the proposed rates, the City also approve annual adjustments to water rates beginning in January 2015 and to wastewater rates beginning in July 2014 by the annual change in the *Engineering News Record's* 20-Cities Construction Cost Index (ENR), subject to a 3 percent annual cap. These annual rate adjustments would also be subject to annual review by staff to confirm need and concurrence by the City Council. In accordance with Section 53756, customers should be informed of the changes in the rate schedules at least 30 days prior to their implementation. This can be achieved through a bill insert, or other means.

Water and wastewater rate schedules presented in Exhibits I-1 through I-4 reflect the maximum 3.0 percent potential adjustment to the rates each year (January 2015 through January 2019 for water rates and July 2014 through July 2018 for wastewater). These schedules, therefore, reflect the "ceiling" for the rates at any time during this five-year period. Actual annual rate adjustments would be based on the actual change in the ENR index (subject to a 3.0 percent cap), financial need, and concurrence by the City Council.

As the City continues to transition customers from flat water and wastewater rates to usage-based rates there is some uncertainty as to the affect it may have on revenues. Therefore, it is important for the City to continue to monitor water usage characteristics and rate revenues for both utilities on an annual basis.

Exhibit I-3
City of Lodi
Current and Proposed Flat Wastewater Rates

		Future Rate Ceiling				
	Current (Jul. 2013)	Proposed (Jul. 2014)	Proposed (Jul. 2015)	Proposed (Jul. 2016)	Proposed (Jul. 2017)	Proposed (Jul. 2018)
Rate Increase -->		3.0%	3.0%	3.0%	3.0%	3.0%
FLAT RATES						
Single Family Residential						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
5 Bedroom	$ 60.27	$ 62.08	$ 63.94	$ 65.86	$ 67.84	$ 69.88
6 Bedroom	$ 68.88	$ 70.95	$ 73.08	$ 75.27	$ 77.53	$ 79.86
7 Bedroom	$ 77.49	$ 79.81	$ 82.20	$ 84.67	$ 87.21	$ 89.83
Duplexes, Triplexes, Fourplexes, Apartments, and Condominiums						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
Mobile Homes						
Any Size	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
Non-Residential (1)						
Per SSU	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92

Notes:

(1) Proposed flat wastewater rates for schools are to be determined on the basis of 18 student per SSU.

Exhibit I-4
City of Lodi
Current and Proposed Usage-Based Wastewater Rates

		Future Rate Ceiling				
	Current (Jul. 2013)	**Proposed (Jul. 2014)**	**Proposed (Jul. 2015)**	**Proposed (Jul. 2016)**	**Proposed (Jul. 2017)**	**Proposed (Jul. 2018)**
Rate Increase -->		**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
USAGE-BASED RATES						
Monthly Service Charge						
Single Family (per DU)	$ 23.52	$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
Multi-Family and Non-Residential (1)						
3/4" meter		$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
1" meter		$ 38.83	$ 39.99	$ 41.19	$ 42.43	$ 43.70
1 1/2" meter		$ 75.03	$ 77.28	$ 79.60	$ 81.99	$ 84.45
2" meter		$ 118.63	$ 122.19	$ 125.86	$ 129.64	$ 133.53
3" meter		$ 220.45	$ 227.06	$ 233.87	$ 240.89	$ 248.12
4" meter		$ 365.88	$ 376.86	$ 388.17	$ 399.82	$ 411.81
6" meter		$ 729.12	$ 750.99	$ 773.52	$ 796.73	$ 820.63
8" meter		$ 1,165.18	$ 1,200.14	$ 1,236.14	$ 1,273.22	$ 1,311.42
Usage Rates ($/CCF)						
Single Family (2)	$ 2.68	$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Multi-Family (2)		$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Non-Residential (2) (3)						
Low Strength		*$ 2.76*	*$ 2.84*	*$ 2.93*	*$ 3.02*	*$ 3.11*
Medium Strength		*$ 3.45*	*$ 3.55*	*$ 3.66*	*$ 3.77*	*$ 3.88*
High Strength		*$ 4.49*	*$ 4.62*	*$ 4.76*	*$ 4.90*	*$ 5.05*
Industrial (4)						
Flow (per MG annually)	$ 3,487.41	$ 3,592.03	$ 3,699.79	$ 3,810.78	$ 3,925.10	$ 4,042.85
BOD (per 1,000 lbs annually)	$ 575.51	$ 592.78	$ 610.56	$ 628.88	$ 647.75	$ 667.18
SS (per 1,000 lbs annually)	$ 359.85	$ 370.65	$ 381.77	$ 393.22	$ 405.02	$ 417.17

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) Usage charge based on winter water use determined as the average from the prior December-February period. Adjusted each July for each account.
(3) Placeholder. These rates not yet in use.
(4) Applies to industrial users discharging into the domestic sewer system.

AFFECT OF PROPOSED RATES ON CUSTOMER BILLS

Flat water rates are proposed to increase by 2.5 percent in January 2014 and flat wastewater rates are proposed be adjusted by no more than 3 percent in July 2014 to meet anticipated revenue needs of the utilities. No structural changes are proposed for flat rates. Customers subject to flat rates will therefore see a 2.5 percent change in their monthly water bills, and no more than a 3 percent change in their monthly wastewater bills.

Rate structure changes are proposed for usage-based water rates, which will result in smaller or larger changes in bill amounts for affected customers. In general, single family residential customers will benefit from the change, and non-residential customers will, in most but not all cases, see bill increases in excess of 2.5 percent. The proposed rate structure changes, as described in Section II of this report, are intended to improve the equity between the customer classes in the charges for water service.

Multi-family customers, including mobile homes parks, will soon begin to be transitioned to usage-based rates. While usage-based billing may result in the City shifting billing from tenants to property owners, the total charges for water service within most apartment complexes and mobile home parks, as well as duplexes, triplexes, and fourplexes, are likely to be significantly lower if billed to property owners with usage-based rates compared with cumulative flat rate billing to the tenants.

With the exception of the transitioning single family residential customers from flat wastewater rates to usage-based wastewater rates, other wastewater customers will continue to be billed on flat rates until at least July 2015. Usage-based wastewater rates are based on winter water usage for each account, and non-residential customers will be assigned to low, medium, or high strength categories, depending on the type of business. When the transition does occur, multi-family residential customers will likely benefit from usage-based rates. Additional analysis is required to assess the potential implications of usage-based rates for non-residential customers, and further refinements to wastewater rates will be required in the years ahead as more data and analyses become available.

Exhibit I-5 summarizes the affect of proposed water rates (effective January 2014) and proposed wastewater rates (effective July 2014) on monthly bills for a sampling of residential customers. Both flat rates and usage-based rate examples are presented, as well as changes in combined water and wastewater bills.

Exhibit I-6 summarizes the affect of proposed water rates (effective January 2014) and proposed wastewater rates (effective July 2014) on average monthly bills for a sampling of non-residential customers. In all cases, non-residential customers shown are subject to usage-based water rates and flat wastewater rates during this period.

Bill water amounts under proposed rates in Exhibits I-5 and I-6 reflect both the 2.5 percent overall rate increase, as well as the first step in the rate restructuring for usage based water rates. Additional details on the water and wastewater rates and related analyses are presented in Sections II and III, respectively, of this report.

Exhibit I-5
City of Lodi
Water Bills for Sample of Residential Customers

		Monthly Water Bill		Change	
	Water Use (CCF)	Current Rates (Jan. 2013)	Proposed Rates (Jan. 2014)	$s	%
Single Family Residential					
Flat Rate - 2 Bdrm Home	n/a	$ 35.91	$ 36.81	$ 0.90	2.5%
Flat Rate - 3 Bdrm Home	n/a	$ 43.04	$ 44.12	$ 1.08	2.5%
Mtr'd Rate - Low Usage	9	$ 32.06	$ 31.72	$ (0.34)	-1.1%
Mtr'd Rate - Median Usage	16	$ 41.26	$ 40.76	$ (0.50)	-1.2%
Mtr'd Rate - High Usage	32	$ 63.34	$ 62.36	$ (0.98)	-1.5%
Muti-Family Residential (1)					
Flat Rate - 2 Bdrm Apartment	n/a	$ 30.79	$ 31.56	$ 0.77	2.5%
Duplex w/ 3/4" Mtr.	36	$ 61.58	$ 59.26	$ (2.32)	-3.8%
Fourplex w/ 1" Wtr. Mtr.	60	$ 123.16	$ 97.38	$ (25.78)	-20.9%
12 Unit Apartment w/ 1 1/2" Mtr.	150	$ 369.48	$ 212.08	$ (157.40)	-42.6%
80 Unit Apartment w/ 4" Mtr.	720	$ 2,463.20	$ 913.14	$ (1,550.06)	-62.9%
40 Unit MH Park w/ 2" Mtr.	250	$ 1,026.80	$ 334.29	$ (692.51)	-67.4%

Wastewater Bills for Sample of Residential Customers

		Monthly Wastewater Bill		Change	
	Winter Wtr. Use (CCF)	Current Rates (Jul. 2013)	Proposed Rates (Jul. 2014)	$s	%
Single Family Residential					
Flat Rate - 2 Bdrm Home	n/a	$ 34.44	$ 35.47	$ 1.03	3.0%
Flat Rate - 3 Bdrm Home	n/a	$ 43.05	$ 44.34	$ 1.29	3.0%
Mtr'd Rate - Low Usage	6	$ 39.60	$ 40.79	$ 1.19	3.0%
Mtr'd Rate - Median Usage	9	$ 47.64	$ 49.07	$ 1.43	3.0%
Mtr'd Rate - High Usage	12	$ 55.68	$ 57.35	$ 1.67	3.0%
Muti-Family Residential (1)					
Flat Rate - 2 Bdrm Apartment	n/a	$ 34.44	$ 35.47	$ 1.03	3.0%
Duplex w/ 3/4" Mtr.	16	$ 68.88	$ 68.39	$ (0.49)	-0.7%
Fourplex w/ 1" Wtr. Mtr.	28	$ 137.76	$ 116.11	$ (21.65)	-15.7%
12 Unit Apartment w/ 1 1/2" Mtr.	72	$ 413.28	$ 273.75	$ (139.53)	-33.8%
80 Unit Apartment w/ 4" Mtr.	480	$ 2,755.20	$ 1,690.68	$ (1,064.52)	-38.6%
40 Unit MH Park w/ 2" Mtr.	180	$ 1,033.20	$ 615.43	$ (417.77)	-40.4%

Combined Water and Wastewater Bills for Sample of Residential Customers

	Monthly Wtr/WW Bill		Change	
	Current Rates	Proposed Rates	$s	%
Single Family Residential				
Flat Rate - 2 Bdrm Home	$ 70.35	$ 72.28	$ 1.93	2.7%
Flat Rate - 3 Bdrm Home	$ 86.09	$ 88.46	$ 2.37	2.8%
Mtr'd Rate - Low Usage	$ 71.66	$ 72.51	$ 0.85	1.2%
Mtr'd Rate - Median Usage	$ 88.90	$ 89.83	$ 0.93	1.0%
Mtr'd Rate - High Usage	$ 119.02	$ 119.71	$ 0.69	0.6%
Muti-Family Residential (1)				
Flat Rate - 2 Bdrm Apartment	$ 65.23	$ 67.03	$ 1.80	2.8%
Duplex w/ 3/4" Mtr.	$ 130.46	$ 127.65	$ (2.81)	-2.2%
Fourplex w/ 1" Wtr. Mtr.	$ 260.92	$ 213.49	$ (47.43)	-18.2%
12 Unit Apartment w/ 1 1/2" Mtr.	$ 782.76	$ 485.83	$ (296.93)	-37.9%
80 Unit Apartment w/ 4" Mtr.	$ 5,218.40	$ 2,603.82	$ (2,614.58)	-50.1%
40 Unit MH Park w/ 2" Mtr.	$ 2,060.00	$ 949.72	$ (1,110.28)	-53.9%

Notes:

(1) Current bill amounts for multi-family examples are all based on flat rates, and assume two bedroom dwelling units. Proposed bill amounts are based on metered rates, except where noted.

Exhibit I-6
City of Lodi
Water Bills for Sample of Non-Residential Customers

		Monthly Water Bill		Change	
	Water Use (CCF)	Current Rates (Jan. 2013)	Proposed Rates (Jan. 2014)	$s	%
Retail Store (w/ 1" mtr.)	48	$ 82.76	$ 85.38	$ 2.62	3.2%
Small Motel (w/ 1" mtr.)	120	$ 149.00	$ 157.38	$ 8.38	5.6%
Restaurant (w/ 1 1/2" mtr.)	160	$ 207.59	$ 222.25	$ 14.65	7.1%
Small Manufacturer (w/ 2" mtr.)	169	$ 230.75	$ 253.29	$ 22.54	9.8%
Grocery Store (w/ 2 mtrs.)	518	$ 611.76	$ 664.04	$ 52.27	8.5%
Big Box Retail (w/ 2 mtrs.)	541	$ 633.48	$ 687.64	$ 54.16	8.5%
Large Retail Store (w/ 2" mtr.)	739	$ 815.16	$ 931.89	$ 116.73	14.3%
Large Office Bldg. (w/ 4" mtr.)	704	$ 783.11	$ 897.06	$ 113.94	14.6%
High School (w/ 3 mtrs.)	2,268	$ 2,441.57	$ 2,818.13	$ 376.56	15.4%
Hospital (w/ 6 mtrs.)	2,963	$ 3,505.27	$ 4,067.37	$ 562.10	16.0%
Indus. Food Processor (w/ 4 mtrs.)	6,025	$ 5,973.20	$ 6,659.34	$ 686.14	11.5%
Indus. Food Processor (w/ 6 mtrs.)	8,565	$ 8,376.22	$ 9,156.93	$ 780.71	9.3%

Wastewater Bills for Sample of Non-Residential Customers

		Monthly Wastewater Bill		Change	
	WW Use (SSUs)	Current Rates (Jul. 2013)	Proposed Rates (Jul. 2014)	$s	%
Retail Store	3.12	$ 107.45	$ 110.67	$ 3.21	3.0%
Small Motel	4.00	$ 137.76	$ 141.88	$ 4.12	3.0%
Restaurant	14.00	$ 482.16	$ 496.58	$ 14.42	3.0%
Small Manufacturer	22.85	$ 786.95	$ 810.49	$ 23.54	3.0%
Grocery Store	25.00	$ 861.00	$ 886.75	$ 25.75	3.0%
Big Box Retail	36.08	$ 1,242.60	$ 1,279.76	$ 37.16	3.0%
Large Retail Store	13.98	$ 481.47	$ 495.87	$ 14.40	3.0%
Large Office Building	92.63	$ 3,190.18	$ 3,285.59	$ 95.41	3.0%
High School	133.93	$ 4,612.55	$ 4,750.50	$ 137.95	3.0%
Hospital	48.56	$ 1,672.41	$ 1,722.42	$ 50.02	3.0%
Industrial Food Processor	639.67	$ 22,030.23	$ 22,689.09	$ 658.86	3.0%
Industrial Food Processor	1,258.06	$ 43,327.59	$ 44,623.39	$ 1,295.80	3.0%

Combined Water and Wastewater Bills for Sample of Non-Residential Customers

	Monthly Wtr/WW Bill		Change	
	Current Rates	Proposed Rates	$s	%
Retail Store	$ 190.21	$ 196.05	$ 5.83	3.1%
Small Motel	$ 286.76	$ 299.26	$ 12.50	4.4%
Restaurant	$ 689.75	$ 718.83	$ 29.07	4.2%
Small Manufacturer	$ 1,017.70	$ 1,063.78	$ 46.08	4.5%
Grocery Store	$ 1,472.76	$ 1,550.79	$ 78.02	5.3%
Big Box Retail	$ 1,876.07	$ 1,967.39	$ 91.32	4.9%
Large Retail Store	$ 1,296.63	$ 1,427.76	$ 131.13	10.1%
Large Office Building	$ 3,973.29	$ 4,182.64	$ 209.35	5.3%
High School	$ 7,054.12	$ 7,568.63	$ 514.51	7.3%
Hospital	$ 5,177.68	$ 5,789.79	$ 612.11	11.8%
Industrial Food Processor	$ 28,003.44	$ 29,348.44	$ 1,345.00	4.8%
Industrial Food Processor	$ 51,703.80	$ 53,780.32	$ 2,076.52	4.0%

SECTION II. WATER RATES

This section of the report describes water rate recommendations for the City's water utility. The City's multi-year financial plan was used to determine annual water rate revenue requirements, and to develop the strategy for meeting current and future financial obligations. The annual rate revenue requirement is the amount of revenue needed from water rates to cover estimated operating, maintenance, debt service, and capital program costs with consideration of other revenues and financial reserves.

Water rate recommendations are also intended to assist the City in the transition to a fully metered water system and universal usage-based water rates. Rate structure changes are intended to improve equity across customer classes by better reflecting the cost of providing service.

CURRENT WATER RATES

The City's current water rates are summarized in **Exhibit II-1**. Water rates were last adjusted in January 2013 with a 2.5 percent across-the-board increase based on changes in the *Engineering New Record's* 20-Cities Construction Cost Index (ENR). This index is used by the City to annually adjust the level of water and wastewater rates.

Exhibit I-1
City of Lodi
Current Monthly Water Rates

FLAT RATES			USAGE-BASED RATES					
Single Family Residential			***Single Family Residential***					
			Monthly Service Charges			Usage Rates ($/CCF)		
1 Bedroom	$	29.90	3/4" meter	$	23.78	Tier 1 (0-10 CCF)	$	0.92
2 Bedroom	$	35.91	1" meter	$	38.60	Tier 2 (11-50 CCF)	$	1.38
3 Bedroom	$	43.04	1 1/2" meter	$	75.42	Tier 3 (>50 CCF)	$	1.82
4 Bedroom	$	51.72	2" meter	$	119.79			
5 Bedroom	$	62.03						
6 Bedroom	$	74.44						
7 Bedroom	$	89.31	***Multi-Family and Non-Residential (1)***					
Multi-Family (1)			Monthly Service Charges			Usage Rates ($/CCF)		
1 Bedroom	$	25.67	3/4" meter	$	23.78	All water usage	$	0.92
2 Bedroom	$	30.79	1" meter	$	38.60			
3 Bedroom	$	36.94	1 1/2" meter	$	60.24			
4 Bedroom	$	44.32	2" meter	$	75.27			
Mobile Homes			3" meter	$	105.38			
Any Size	$	25.67	4" meter	$	135.51			
Non-Residential			6" meter	$	195.68			
Exist. unmetered		Varies	8" meter	$	255.91			
			10" meter	$	316.01			

Notes:
(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, and condominiums.

Residential flat rates are based on the number of bedrooms in each dwelling, and are based on water usage estimates made prior to the availability of water usage data. All flat rates will be phased out as the installation of water meters is completed. Water usage rates include a fixed monthly service charge, based on size of the water meter, and volumetric charges based on a customer's actual water usage. Single family customers are subject to a three-tier rate structure, which includes a lower initial rate intended for non-discretionary uses of water and higher rates for discretionary uses intended to provide an incentive to conserve water. Multi-family and non-residential customers are subject to a uniform water usage rate.

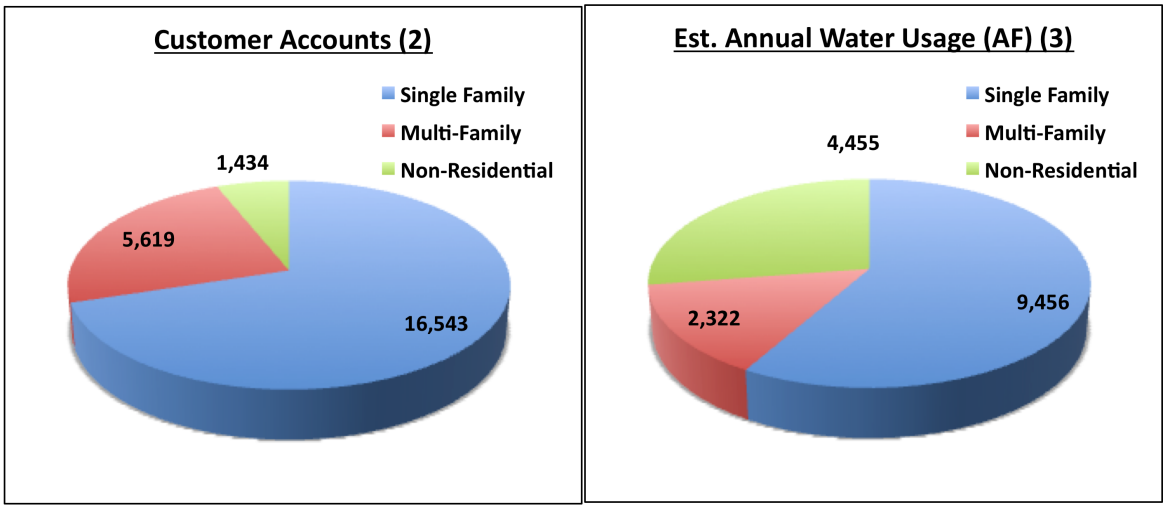
At present, tenants of multi-family apartments and mobile home parks are billed for water and wastewater services. As water meters are installed for apartment complexes and mobile home parks the billing for these services may be transferred from tenants to property owners.

CUSTOMER BASE AND WATER USAGE DATA

The water utility's customer base is predominately comprised of single family and multi-family residential customers, along with commercial, industrial, and municipal customers. Some non-residential customers, including food-processing facilities, use very large quantities of water. Because the City is not entirely metered total water usage must be estimated. **Exhibit II-2** summarizes customer account and water usage estimates derived from the City's utility billing system for 2012. With residential accounts expressed as the number of dwelling units, the water utility customer base is nearly 23,600 accounts and estimated annual water usage is about 16,233 acre-feet (AF). Single family accounts represent 70 percent of the customers and 58 percent of the water usage. Multi-family accounts represent 24 percent of the customers and 14 percent of the water usage. Non-residential accounts comprise about 6 percent of the customer base, and also represent about 27 percent of annual water usage. The City's largest water users include several industrial customers (primarily food-processing), as well as the City of Lodi, and the Lodi Unified School District.

By January 2014, more than one-half of the City's single family residential customers will be on usage-based water rates, with two- to three-thousand single family customers transitioning to usage-based rates each year. All single family customers are expected to be transitioned to usage-based water rates by 2019. The installation of water meters for all customers is expected to be completed by 2018. About 75 percent of non-residential customers are metered and have been on usage-based water rates. The City plans to transition mobile home parks to usage-based rate in 2014, the remaining non-residential accounts by 2017, and multi-family accounts by 2020.

Exhibit II-2
City of Lodi
Summary of Water Utility Customer Accounts and Annual Water Usage (1)



Notes:
(1) Derived from the City's utility billing system from data for 2012.
(2) Total customer accounts equals 23,596. Residential accounts expressed in dwelling units.
(3) Total estimated annual water usage equals 16,233 acre-feet (AF).

ANNUAL WATER REVENUE RATE REQUIREMENT

The City has updated its multi-year financial model with actual revenues and expenses (pre-audit) for FY 12-13 and the approved budget for FY 13-14. Based on that model, the City estimates an annual water rate increase of 2.5 percent in January 2014 followed by annual water rate increases of no more than 3 percent per year thereafter. These rate increases are believed to be sufficient to meet the utility's operating and maintenance costs, debt service obligations, and capital program needs through FY 19-20.

The City adjusts its water rates in January of each year based on the annual change in the ENR, subject to a 3.0 percent cap and concurrence by the City Council. Based on the current ENR and staff's analysis of financial need, the rate analyses presented herein are based on a 2.5 percent increase effective in January 2014. This is consistent with the City's updated financial plan model.

The City anticipates approximately 2,350 additional single family residential customers will be converted to usage-based rates in January 2014. With that shift, and an overall 2.5 percent rate increase, water rate revenues from flat and usage based customers is estimated to be $12,931,000, as summarized below

Flat rate revenue	$5,781,000
Usage-based rate revenue	$7,150,000
Total 2014 water rate revenue	$12,931,000

No changes are proposed to the City's flat water rate structure. Therefore, a 2.5 percent rate increase will mean a 2.5 percent increase to all flat water rates. With a transition of approximately 2,350 additional single family customers to water meters in January 2014

the water utility will be billing nearly 8,400 customer accounts through usage-based water rates. The annual water rate revenue requirement for the City's usage-based water rates will be $7,150,000 for 2014, with this increased portion of the customer base on usage-based rates. This is the revenue requirement used for the calculation of usage-based water rates.

COST OF SERVICE ANALYSIS AND RATE DESIGN

The annual water rate revenue requirement of $12,931,000 for 2014 has been split between flat and usage-based rates based on the number of accounts and water use characteristics of the customer base within each group. The cost of service analysis for each group is separately presented below.

Flat Rate Cost of Service Analysis

As the City will be phasing out the system of flat water rates in the next few years, no changes to the rate structure are proposed. The City's flat rates are based on the number of bedrooms in each single family and multi-family dwelling unit. Non-residential flat rate accounts have each been assigned a unique single family equivalency factor, based on estimated usage characteristics, relative to single family homes.

Exhibit II-3 summarizes the distribution of the 2014 revenue requirement for flat rate accounts of various customer types, and shows the calculation of the monthly flat water rates. Monthly flat water rates are proposed to increase by 2.5 percent in January 2014.

Usage-Based Rate Cost of Service Analysis

A more detailed cost of service analysis was prepared for the City's usage-based water rates. The analysis was based on the number and type of customers that will be subject to these rates in 2014.

Once the 2014 usage-based revenue requirement of $7,150,000 was determined, the next step in the rate setting process is to evaluate the cost of providing service. Water rate calculations contained herein are intended to generate the level of revenue commensurate with the revenue requirement for usage-based customers. The manner in which each customer is responsible for the water utility's costs is the subject of the cost of service analysis.

The water utility incurs certain types of costs associated with making water service available to customers. Other costs are incurred as a direct result of customer water usage. The cost of service analysis is intended to allocate the costs of providing water service to customers in proportion to customers' water demands and service requirements. There are many approaches to cost of service analysis; some are more complex than others. The approach used herein is commensurate with the data available, the distinctions currently made between various types of customers, and the requirement to fairly and to reasonably reflect the differences in service provisions to different customers.

Exhibit II-3
City of Loda
2014 Flat Water Rate Cost of Service Analysis and Rate Calculation

Customer Group	No. of Accts. or DUs (1)	Equivalency Factor (2)	Single Family Equivalents (3)	% of Total	Alloc. of Revenue Rqmt.	Monthly Flat Water Rate
Single Family Residential						
1 Bedroom	549	0.83	458	3.5%	$ 201,900	$ 30.65
2 Bedroom	3,908	1.00	3,908	29.9%	$ 1,726,500	$ 36.81
3 Bedroom	2,787	1.20	3,344	25.5%	$ 1,476,000	$ 44.12
4 Bedroom	288	1.44	415	3.2%	$ 183,200	$ 53.01
5 Bedroom	23	1.73	40	0.3%	$ 17,500	$ 63.58
6 Bedroom	1	2.07	2	0.0%	$ 900	$ 76.30
Multi-Family Residential						
1 Bedroom	2,177	0.71	1,556	11.9%	$ 687,300	$ 26.31
2 Bedroom	3,311	0.86	2,839	21.7%	$ 1,253,900	$ 31.56
3 Bedroom	129	1.03	133	1.0%	$ 58,600	$ 37.86
4 Bedroom	2	1.23	2	0.0%	$ 1,100	$ 45.43
Non-Residential						
Various	271	Varies	394	3.0%	$ 174,100	Varies (4)
Totals	13,446		13,091		$ 5,781,000	

Notes:
(1) Estimate based on transition of about 2,350 additional single family accounts to usage-based billing.
(2) From existing flat water rate structure.
(3) Based on one single family equivalent equal to a 2-bedroom home.
(4) All non-residential flat rates increase by 2.5 percent.

The cost allocation methodology used herein begins by assigning all costs to one of three categories. The cost allocation process considers the level of detail available in the City's financial structure, as well as professional judgment and experience. The three categories include:

- Customer costs, such as meter reading, billing, and customer service, are fixed costs that tend to vary as a function of the number of customer being served. Customer costs are allocated to customers based on the number of accounts. That is, every customer will pay an equal share of customer-related costs.

- Capacity costs are also fixed costs, however, these tend to vary in relation to the capacity of the water system. Customers that place (or can place) a greater or lesser burden on the capacity of the water system should bear greater or lesser shares of these costs. The sizing of the water system is based on the potential demand that each customer could place on the water system. Capacity costs are allocated to customers based on the size (hydraulic capacity) of the water meter. The hydraulic capacity reflects the potential demand that a customer could place on the water system at any given time. A customer with a large meter will be assigned a larger share of fixed capacity-related costs than one with a small meter. Capacity costs include costs associated with the water system's capacity including contributions to the capital program, debt service, maintenance costs, etc.

- Commodity costs are variable costs that vary with the amount of actual water use. Water purchases, energy costs, and chemical costs are primary examples. However, because certain fixed costs are reasonably assigned to customers on the basis of usage (e.g., water treatment staff-related costs), some fixed costs are frequently included in the commodity component. Recovering a portion of fixed costs on the basis of actual water usage has the added benefit for increasing the water conservation incentive reflected in the water rates.

The water conservation best management practice for water rates (BMP 1.4), as promulgated by the California Urban Water Conservation Council (CUWCC) specifies that at least 70 percent of water rate revenue be generated through water usage charges. While the City is not subject to the CUWCC's requirements, such an approach also provides customers with added ability to affect the amount of their water bill by managing water usage. The allocation of costs, as well as the resulting rate calculations, reflects a balanced approach to considering different rate-setting objectives. Based on a review of water system financial information, the cost allocation resulted in a distribution of the costs to customer, capacity, and commodity components of 5 percent, 40 percent, and 55 percent, respectively.

Exhibit II-4 shows how the usage-based revenue requirement is allocated to cost components, as well as the resulting determination of water rates. Usage-based water rates include a fixed monthly service charge, to recover customer and capacity costs, and water usage rates, to recover commodity costs.

The monthly service charges are calculated by allocating customer costs equally across all customer accounts and by allocating capacity related costs in proportion to meter capacity. As a result, monthly service charges increase with increasing meter sizes. While the current monthly service charges also vary with meter size the variation across meter sizes does not fully reflect the capacity relationship across meter sizes. With the correct capacity factors applied monthly service charges for the smaller meter sizes decrease while the charges for larger meters increase. The increase is greatest for the largest meter sizes but is, nevertheless, consistent with cost of service principles and the capacity relationship.

The City's water rate structure includes a uniform water usage rate for multi-family and non-residential customers. The uniform water rate is calculated simply by dividing the commodity costs by the total water sales volume.

In 2009, the City implemented a three-tier water rate structure for single family customers. The tier structure provides a lower cost for initial water usage, estimated to reflect indoor water needs that tend to be non-discretionary, and higher costs for more discretionary uses of water. It also serves as a water conservation incentive. The City obtains its water supply from both groundwater and surface water purchased from the Woodbridge Irrigation District. The first tier rate generally reflects the cost of groundwater production (as well as other commodity costs recovered through the usage rates), and the third tier rate generally reflects the cost of purchasing and treating surface water (as well as other commodity costs recovered through the usage rates).

Exhibit II-4
City of Loda
2014 Usage-Based Water Rate Cost of Service Analysis and Rate Calculation

	Meter Size									
	3/4"	**1"**	**1 1/2"**	**2"**	**3"**	**4"**	**6"**	**8"**	**10"**	**Total**
No. of Accounts										
Single Family	8,392	1	2							8,395
Multi-Family	14									14
Comm./Industrial	450	133	143	274	51	43	14		1	1,109
Municipal	2	7	7	17	6	10	1			50
Outside City				1		1		2		4
Total	8,858	141	152	292	57	54	15	2	1	9,572
Hydr. Cap. Factor	1.00	1.67	3.33	5.33	10.00	16.67	33.33	53.33	76.67	
No. of 3/4" Equiv. Meters	8,858	235	506	1,556	570	900	500	107	77	13,310
Monthly Service Charges										
Customer Cost	$ 3.11	$ 3.11	$ 3.11	$ 3.11	$ 3.11	$ 3.11	$ 3.11	$ 3.11	$ 3.11	
Capacity Cost	$ 17.91	$ 29.90	$ 59.63	$ 95.44	$ 179.07	$ 298.51	$ 596.83	$ 954.97	$ 1,372.91	
Monthly Service Chrg.	**$ 21.02**	**$ 33.02**	**$ 62.74**	**$ 98.56**	**$ 182.18**	**$ 301.62**	**$ 599.94**	**$ 958.08**	**$ 1,376.02**	
Ann. Rev. ($1,000s)	$ 2,234,301	$ 55,864	$ 114,441	$ 345,338	$ 124,611	$ 195,449	$ 107,990	$ 22,994	$ 16,512	$ 3,217,500

2014 Revenue Requirement		
Customer Cost	$ 357,500	5.0%
Capacity Cost	$ 2,860,000	40.0%
Commodity Cost	$ 3,932,500	55.0%
Total Rev. Reqmt.	**$ 7,150,000**	
	2.5%	

Water Usage Rates

			Usage (CF)	Rate $/CF	Ann. Rev.
Single Family					
Tier 1	0-1000 CF	45.4%	89,474,939	**$ 0.0093**	$ 828,551
Tier 2	1001-5000 CF	50.0%	98,680,437	**$ 0.0123**	$ 1,215,348
Tier 3	> 5000 CF	4.6%	9,062,070	**$ 0.0154**	$ 139,510
Multi-Family			615,451	**$ 0.0111**	$ 6,814
Comm./Ind.			139,380,294	**$ 0.0111**	$ 1,543,090
Municipal			16,268,150	**$ 0.0111**	$ 180,106
Outside City			1,723,570	**$ 0.0111**	$ 19,082
			355,204,911		$ 3,932,500

At present, the uniform rate for multi-family and non-residential accounts is equal to the first tier rate for single family customers. Equity is improved between the single family, multi-family, and non-residential usage rates with the proposed rates because the weighted average rate across the three single family tiers equals the uniform rate applicable to multi-family and non-residential accounts.

PROPOSED WATER RATE SCHEDULES

Current and proposed water rate schedules for both flat rates and usage-based rates are presented in **Exhibits II-5** and **II-6**, respectively. All rates reflect an overall 2.5 percent revenue increase relative to the current water rates. However, due to the changes in the usage-based rate structure the change in customer water bills will vary, and will be a function of customer class, meter size, and monthly water usage, as previously presented in the section *Usage-Based Rate Cost of Service Analysis* (above). Illustrative examples of customer bill impacts are included in Exhibits I-5 and I-6, earlier in the report.

Exhibit II-5
City of Lodi
Current and Proposed Flat Water Rates

	Current (Jan. 2013)	Proposed (Jan. 2014)
	Rate Increase -->	2.5%
FLAT RATES		
Single Family Residential		
1 Bedroom	$ 29.90	$ 30.65
2 Bedroom	$ 35.91	$ 36.81
3 Bedroom	$ 43.04	$ 44.12
4 Bedroom	$ 51.72	$ 53.01
5 Bedroom	$ 62.03	$ 63.58
6 Bedroom	$ 74.44	$ 76.30
Multi-Family (1)		
1 Bedroom	$ 25.67	$ 26.31
2 Bedroom	$ 30.79	$ 31.56
3 Bedroom	$ 36.94	$ 37.86
4 Bedroom	$ 44.32	$ 45.43
Mobile Homes		
Any size	$ 25.67	$ 26.31
Non-Residential		
Existing unmetered	Varies	+2.5%

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, and condominiums.

Exhibit II-6
City of Lodi
Current and Proposed Usage-Based Water Rates

			Revenue Neutral 3-Year Restructuring		
	Current (Jan. 2013)	New Indexing (Jan. 2014)	Proposed (Jan. 2014)	Proposed (Jan. 2015)	Proposed (Jan. 2016)
Rate Increase -->		2.5%	(2)	(3)	(3)
USAGE-BASED RATES					
Monthly Service Charge					
Single Family					
3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.14	$ 21.02
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 35.20	$ 33.02
1 1/2" meter	$ 75.42	$ 77.31	$ 72.45	$ 67.60	$ 62.74
2" meter	$ 119.79	$ 122.78	$ 114.71	$ 106.64	$ 98.56
Multi-Family and Non-Residential (1)					
3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.14	$ 21.02
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 35.20	$ 33.02
1 1/2" meter	$ 60.24	$ 61.75	$ 62.08	$ 62.41	$ 62.74
2" meter	$ 75.27	$ 77.15	$ 84.29	$ 91.43	$ 98.56
3" meter	$ 105.38	$ 108.01	$ 132.74	$ 157.46	$ 182.18
4" meter	$ 135.51	$ 138.90	$ 193.14	$ 247.38	$ 301.62
6" meter	$ 195.68	$ 200.57	$ 333.69	$ 466.82	$ 599.94
8" meter	$ 255.91	$ 262.31	$ 494.23	$ 726.16	$ 958.08
10" meter	$ 316.01	$ 323.91	$ 674.61	$ 1,025.32	$ 1,376.02
Mobile Homes					
Any Size	$ 23.78	$ 24.37	$ 23.26	$ 22.14	$ 21.02
Usage Rates ($/CCF)					
Single Family					
Tier 1 (0-10 CCF)	$ 0.92	$ 0.94	$ 0.94	$ 0.94	$ 0.93
Tier 2 (11-50 CCF)	$ 1.38	$ 1.41	$ 1.35	$ 1.29	$ 1.23
Tier 3 (>50 CCF)	$ 1.82	$ 1.87	$ 1.76	$ 1.65	$ 1.54
Multi-Family and Non-Residential (1)					
All water usage	$ 0.92	$ 0.94	$ 1.00	$ 1.06	$ 1.11

Notes:
(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, and condominiums.
(2) This rate schedule is revenue neutral relative to the newly indexed January 2014 water rates.
(3) These rate schedules are revenue neutral relative to 2014, and would be subject to annual inflationary adjustments based on changes in the ENR.

Three-Year Transition for Usage-Based Rates

The proposed modifications to the usage-based water rate structure include changes that may impact some non-residential customers (those with large meters and/or high water usage) more dramatically than other customers. This is due to both the increased monthly service charges for larger meter sizes, as well as the necessary increase in the uniform water rate to bring it up from the single family first tier rate to the weighted average across all tiers. (At present, nearly all multi-family accounts still pay for water service under flat rates; therefore they will not directly be affected by the changes in the usage-based rate structure.)

To ease the potential affects of the proposed new water rate structure, it is recommended that the usage-based rate structure be phased in over a three-year period. The rate schedule presented in Exhibit II-6 illustrates the transition. The rate schedules for

all three years are revenue neutral to each other (and reflect an overall 2.5 percent revenue increase over the current rates). Therefore, in both 2015 and 2016 the rate schedules will need to be adjusted to incorporate the inflationary adjustments to the rates, based on changes in the ENR.

The usage-based water rate schedule presented in Exhibit I-2 reflect the proposed rate structure phased implementation, as well as reflecting the maximum potential rate adjustment of 3.0 percent per year, based on ENR indexing criteria.

METER INSTALLATION AND TRANSITION TO USAGE-BASED BILLING

The City continues to install water meters on all unmetered water service connections. Below is a summary of the status of the metering program and plans to transition customers from flat water rates to usage-based water rates. Each January an additional batch of customers is transitioned to usage-based rates.

- ***Single Family*** – More than 50 percent of single family homes now have water meters with two- to three-thousand additional meters installed each year. The transition to usage-based rates is expected to be completed by January 2019.

- ***Mobile Home Parks*** – All mobile home parks have now been provided with master water meters on the connections serving each park. The City plans to convert all mobile home parks to usage-based water rates in the near future.

- ***Multi-Family*** – The City is currently installing water meters for apartment and condominium complexes, and plans to complete these installations by 2018. All multi-family accounts (including duplexes, triplexes, and fourplexes) are expected to transition to usage-based water rates in January 2020. Similar to mobile home parks, at that time, billing may also shift from tenant to property owner.

- ***Non-Residential*** – At present, about 75 percent of non-residential accounts have water meters and are subject to usage-based water rates. Remaining unmetered accounts will be metered in the next few years, and the City expects to implement usage-based rates on these accounts by January 2017. Non-residential accounts include commercial, industrial, institutional, and dedicated irrigation account types.

The transition from flat rates to usage-based rates may affect the total amount of customers' water bills. Monthly bills may be higher in the summer during the irrigation season, and lower in winter months when water demand is lower. For single family customers many will have a decrease in their annual water cost with the transition to usage-based rates, while others will have an overall increase. Multi-family customers will generally benefit from the transition to usage-based water rates. As noted previously non-residential customers may have larger water bills with the proposed rates.

SECTION III: WASTEWATER RATES

This section of the report describes wastewater rate recommendations for the City's wastewater utility. The City's multi-year financial plan was used to determine annual wastewater rate revenue requirements, and to develop the strategy for meeting current and future financial obligations. The annual rate revenue requirement is the amount of revenue needed from wastewater rates to cover estimated operating, maintenance, debt service, and capital program costs with consideration of other revenues and financial reserves.

Wastewater rate recommendations are also intended to assist the City in the transition to a fully metered water system and usage-based wastewater rates. Rate structure changes are intended to improve equity across customer classes by better reflecting the cost of providing service.

CURRENT WASTEWATER RATES

The City's current wastewater rates are summarized in **Exhibit III-1**. Wastewater rates were last adjusted in July 2013 with a 2.5 percent across-the-board increase based on changes in he *Engineering New Record's* 20-Cities Construction Cost Index (ENR). This index is used by the City to annually adjust the level of water and wastewater rates.

Residential flat rates are based on the number of bedrooms in each dwelling, and were based on estimated sewer flows made prior to the availability of water usage data. Non-residential wastewater rates are based on the number of sanitary sewer units (SSUs) for each account, as determined by City staff. One SSU is equivalent to a two-bedroom single family home. All flat wastewater rates will be phased out as the installation of water meters is completed. Wastewater usage-based rates are currently available for single family customers. They include a fixed monthly service charge for each dwelling unit, and a usage charge based on a customer's winter water usage. Winter water usage is used for sewer flow estimation since irrigation usage is minimized during this time period. The City uses the average monthly water usage from December through February for determining the average winter water use, and hence estimated monthly sewer flow.

The City has a small number of large industrial customers (primarily food processing). Each of these customers pays for wastewater service based on actual wastewater flows and loading characteristics. Industrial rates for users discharging into the City's domestic sewer collection system are included in Exhibit III-1. Separate (lower) rates apply to the few industrial users that discharge into the industrial line, which requires less treatment. Those rates are outside of the scope of this study.

At present, tenants of multi-family apartments and mobile home parks are individually billed for water and wastewater services. As water meters are installed for apartment complexes and mobile home parks the billing for these services may be transferred from tenants to property owners.

Exhibit III-1
City of Lodi
Current Monthly Wastewater Rates

FLAT RATES			USAGE-BASED RATES		
Single Family Residential			***Single Family Residential***		
1 Bedroom	$	25.83	Monthly Service Charge	$	23.52
2 Bedroom	$	34.44	Usage Rate ($/CCF) (3)	$	2.68
3 Bedroom	$	43.05			
4 Bedroom	$	51.66	***Multi-Family Residential***		
5 Bedroom	$	60.27	Not Available		
6 Bedroom	$	68.88			
7 Bedroom	$	77.49	***Non-Residential***		
Multi-Family Residential (1)			Not Available		
1 Bedroom	$	25.83			
2 Bedroom	$	34.44	***Industrial (4)***		
3 Bedroom	$	43.05	Flow (per MG)	$	3,487.41
4 Bedroom	$	51.66	BOD (per 1,000 lbs)	$	575.51
Mobile Homes			SS (per 1,000 lbs)	$	359.85
Any Size	$	25.83			
Non-Residential					
Per SSU (2)	$	34.44			

Notes:

(1) Includes duplexes, triplexes, fourplexes, apartments, and condominiums.
(2) The number of sanitary sewer units (SSUs) is determined for each customer based on usage characterstics and factors adopted by the City.
(3) Usage charge based on winter water use determined as the average from the prior December-February period. Adjusted each July for each account.
(4) Annual charges apply to industrial users discharging into the domestic sanitary sewer system. Separate charges apply to discharges to the industrial line.

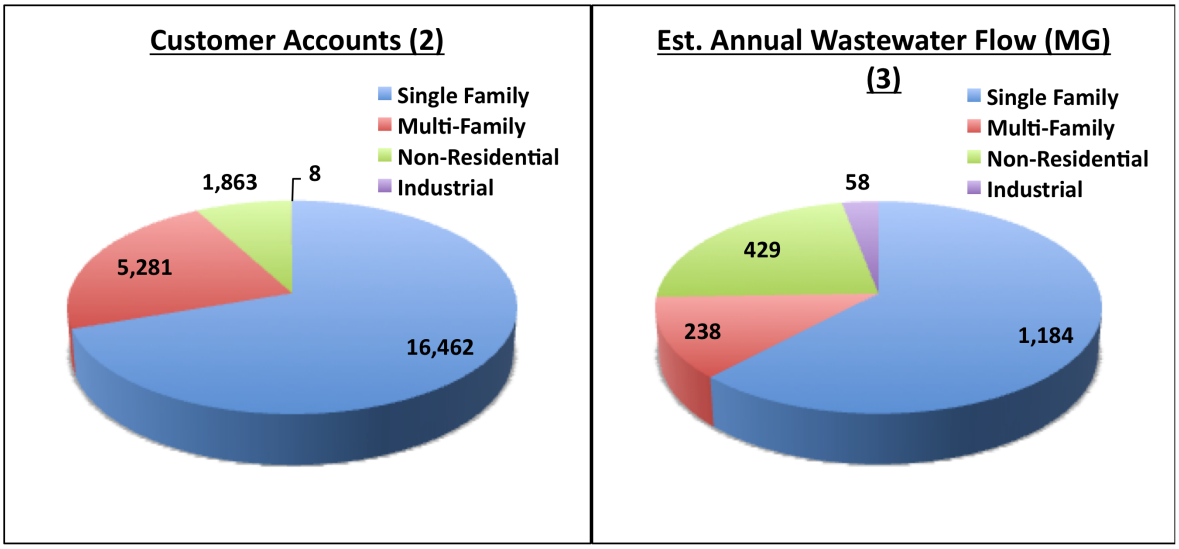
CUSTOMER BASE AND WASTEWATER FLOW ESTIMATES

Like the water utility, the wastewater utility's customer base is predominately comprised of single family and multi-family residential customers, along with commercial, industrial, and municipal customers. Some non-residential customers, including food-processing facilities, generate very large quantities of wastewater. Because the City is not entirely metered water usage and sewer flows must be estimated. It is fairly common to use winter water usage data to estimate wastewater flows. During the winter irrigation water use (which does not enter the wastewater system) is minimized.

Exhibit III-2 summarizes customer account and wastewater flow estimates derived from the City's utility billing system for 2012. With residential accounts expressed as the number of dwelling units, the wastewater utility customer base is about 23,600 accounts and estimated annual wastewater flow is about 1,184 million gallons (MG). Single family accounts represent 70 percent of the customers and 62 percent of the wastewater flow. Multi-family accounts represent 22 percent of the customers and 12 percent of the wastewater flow. Non-residential accounts, including commercial, industrial, and

institutional, comprise about 8 percent of the customer base, and also represent about 23 percent of annual wastewater. There are eight large industrial customers (discharging to the domestic system), and they generate about 3 percent of the annual wastewater flow. The City's largest wastewater users include several of the industrial customers (primarily food-processing), as well as the City of Lodi, and the Lodi Unified School District.

Exhibit III-2
City of Lodi
Summary of Wastewater Utility Customer Accounts and Annual Wastewater Flow (1)



Notes:
(1) Derived from the City's utility billing system from data for 2012.
(2) Total customer accounts equals 23,614. Residential accounts expressed in dwelling units.
(3) Total estimated annual wastewater flow equals 1,908 million gallons (MG).

In July 2012 the City moved an initial batch of single family residential customers (about 2,940) to usage-based wastewater rates, as a pilot test of those wastewater rates. Additional single family customers will be transitioned beginning in July 2014, with an additional batch each July until all have been transitioned. By July 2020, all of the City's single family residential customers will be on usage-based wastewater rates. The transition of multi-family and non-residential wastewater customers to usage-based wastewater rates will lag the transition to usage-based water rates. In the near term, the focus will be on mobile home parks and school accounts. Non-residential customers will need to be categorized into strength classifications (as described later in this section) before the transition can be made.

ANNUAL WASTEWATER REVENUE RATE REQUIREMENT

The City updated its multi-year financial model with actual revenues and expenses (pre-audit) for FY 12-13 and the approved budget for FY 13-14. Based on that model, the City estimates annual wastewater rate increases of up to 3 percent per year may be required. These increases are believed to be sufficient to meet the utility's operating and maintenance costs, debt service obligations, and capital program needs through FY 19-20.

The City adjusts its wastewater rates in July of each year, and the rate analyses presented herein are based on a 3 percent increase effective in July 2014. This is consistent with the City's financial plan model. The actual rate increase will be based on the change in the ENR, but will be no more than 3 percent.

The City anticipates an additional 3,700 single family residential customers will be converted to usage-based rates in July 2014. With that shift, and an overall 3 percent rate increase, water rate revenues from flat and usage based customers is estimated to be $14,570,000, as summarized below

Flat rate revenue	$9,751,000
Usage-based rate revenue	$4,461,000
Industrial line rate revenue	$358,000
Total 2014 water rate revenue	$14,570,000

No changes are proposed to the City's flat wastewater rate structure. Therefore, a 3 percent rate increase will mean a 3 percent increase to all flat wastewater rates. With a transition of approximately 3,700 additional single family customers to usage-based rates in July 2014 the wastewater utility will be billing nearly 6,650 customer accounts through usage-based rates. The annual wastewater rate revenue requirement for the City's usage-based wastewater rates will be $4,461,000 for FY 14-15, with this growing portion of the single family residential customer base on usage-based rates. This $4,461,000 includes $937,000 related to industrial users that discharge into the domestic collection system. Industrial users on the industrial line are subject to a separate treatment process, and different rates (outside of the scope of this study), and represent about $358,000 of the total FY 14-15 wastewater rate revenue requirement.

COST OF SERVICE ANALYSIS AND RATE DESIGN

The annual wastewater rate revenue requirement of $14,570,000 for FY 14-15 has been split between flat rates, usage-based rates, and industrial charges based on the number of accounts and wastewater use characteristics of the customer base within each group. The cost of service analysis for each group is separately presented below.

Flat Rate Cost of Service Analysis

As the City will be phasing out the system of flat wastewater rates in the next several years, no changes to the rate structure are proposed. The City's flat rates are based on the number of bedrooms in each single family and multi-family dwelling unit. Non-residential flat rate accounts have each been assigned a unique sanitary sewer unit (SSU) factor, based on estimated usage characteristics, relative to a 2-bedroom single family home.

Exhibit III-3 summarizes the distribution of the FY 14-15 revenue requirement for flat rate accounts of various customer types, and shows the calculation of the monthly flat wastewater rates with a 3 percent increase. Monthly flat water rates are proposed to increase by no more than 3 percent in July 2014, with the actual adjustment dependent on the annual change in the ENR, with a 3 percent cap.

Exhibit III-3
City of Loda
FY 14-15 Flat Wastewater Rate Cost of Service Analysis and Rate Calculation

Customer Group	No. of Accts. or DUs (1)	SSU Equivalency Factor (2)	Sanitary Sewer Units (SSUs) (3)	% of Total	Alloc. of Revenue Rqmt.	Monthly Flat WW Rate
Single Family Residential						
1 Bedroom	378	0.75	284	1.2%	$ 120,700	$ 26.60
2 Bedroom	3,073	1.00	3,073	13.4%	$ 1,308,000	$ 35.47
3 Bedroom	5,531	1.25	6,914	30.2%	$ 2,943,000	$ 44.34
4 Bedroom	738	1.50	1,107	4.8%	$ 471,200	$ 53.21
5 Bedroom	89	1.75	156	0.7%	$ 66,300	$ 62.08
6 Bedroom	2	2.00	4	0.0%	$ 1,700	$ 70.95
7 Bedroom	1	2.25	2	0.0%	$ 1,000	$ 79.81
Duplexes, Triplexes, Fourplexes, Apartments, and Condominiums						
1 Bedroom	1,359	0.75	1,019	4.4%	$ 433,800	$ 26.60
2 Bedroom	3,517	1.00	3,517	15.4%	$ 1,496,800	$ 35.47
3 Bedroom	164	1.25	205	0.9%	$ 87,300	$ 44.34
4 Bedroom	3	1.50	5	0.0%	$ 1,900	$ 53.21
Mobile Homes						
Any Size	492	0.75	369	1.6%	$ 157,000	$ 26.60
Non-Residential						
Per SSU	1,853	Varies	6,255	27.3%	$ 2,662,300	$ 35.47
Totals	**17,200**		**22,908**		**$ 9,751,000**	

Notes:
(1) Estimate based on transition of about 3,700 additional single family accounts to usage-based billing.
(2) From existing flat wastewater rate structure.
(3) Based on one sanitary sewer unit (SSU) equivalent to a 2-bedroom home.

Usage-Based Rate Cost of Service Analysis

A more detailed cost of service analysis is warranted for the City's usage-based wastewater rates. However, the City does not yet have sufficient information for the complete development of wastewater rates that consider wastewater flow as well as different strength categories for various types of non-residential customers. The following steps will need to be taken in order for fully develop these wastewater rates:

- All non-residential customers should be assigned to a low, medium, or high strength category based on type of business. City staff and consultant plan to work on this jointly in 2014 using industry guidelines for assigning different types of businesses. It is estimated that about 80 percent of non-residential users will fall into a low strength category, 15 percent into medium strength, and 5 percent into high strength.

- The size of water meters should be identified (or estimated) for all multi-family and non-residential accounts. At present, about 75 percent of non-residential accounts are metered. The City will begin metering multi-family accounts and the remaining non-residential accounts in a few years. Estimates of future meter sizes would be adequate to move forward with rate analyses.

- Estimate wastewater flow from each customer class based on winter water usage data. Data is now becoming available for single family customers, and is available for most non-residential accounts (those with water meters), but not for multi-family customers or about one-quarter of non-residential customers. Once a significant portion of multi-family customers have been metered it may be possible to develop reasonable estimates for this customer class. It may also be possible to extrapolate water usage data from existing metered non-residential accounts to those that are unmetered, though some uncertainty would remain because of the non-homogenous nature of non-residential water use.

- Assign standard biochemical oxygen demand (BOD) and suspended solids (SS) loading factors to residential and low, medium, and high strength non-residential customer categories. This would be accomplished using available industry guidelines, as well as through calculations that seek to balance calculated wastewater flow and loading data from wastewater customers with the actual inflow data at the City's White Slough wastewater treatment plant.

Under current usage-based wastewater rates, all single family customers are subject to the same fixed monthly service charge, even if meters vary in size. This is due to the fact that variation in meter sizes for single family homes is due to either landscape irrigation requirements or fire flow capacity requirements within the home. It is not related to wastewater capacity needs. The independence from meter size does not extend to other customer classes, however, because demand characteristics (for both water and wastewater) are much more varied for each customer connection.

The proposed usage-based wastewater rates for FY 14-15 extend the current usage-based rates applicable for single family customers to include fixed monthly service charges based on meter size that should be applied to multi-family and non-residential accounts. The wastewater usage rate for multi-family customers would be the same as that for single family customers. Placeholder estimates are also provided for non-residential low, medium, and high strength categories. Proposed industrial rates reflect a 3.0 percent overall increase in each rate component.

The development of fixed monthly wastewater service charges for multi-family and non-residential accounts follows the same basic cost allocation methodology as for water rates. In this case, a review of wastewater costs resulted in a recommended allocation of the wastewater rate revenue requirement to customer, capacity, and commodity components. The allocation of costs, as well as the resulting rate calculations, reflects a balanced approach to considering different rate-setting objectives. Based on a review of wastewater system financial information, the cost allocation resulted in a distribution of the costs to customer, capacity, and commodity components of 5 percent, 45 percent, and 50 percent, respectively. Like the water rates, the monthly service charge will recover customer and capacity costs, and usage rates will recover commodity costs.

Exhibit III-4 summarizes the calculation of fixed monthly wastewater service charges based on size of the water meter. The monthly service charges are calculated by allocating customer costs equally across all customer accounts and by allocating capacity related costs in proportion to meter capacity.

Exhibit III-4
City of Loda
FY 14-15 Monthly Wastewater Service Charge Calculation

Customer Group	Customer Costs (1)	Capacity Costs (2)	Hydraulic Capacity Factor (3)	Monthly Service Charge (4)
Single Family Residential				
All Connections	$ 2.42	$ 21.80	1.00	$ 24.23
Multi-Family and Non-Residential				
3/4" meter	$ 2.42	$ 21.80	1.00	$ 24.23
1" meter	$ 2.42	$ 36.41	1.67	$ 38.83
1 1/2" meter	$ 2.42	$ 72.60	3.33	$ 75.03
2" meter	$ 2.42	$ 116.21	5.33	$ 118.63
3" meter	$ 2.42	$ 218.03	10.00	$ 220.45
4" meter	$ 2.42	$ 363.46	16.67	$ 365.88
6" meter	$ 2.42	$ 726.70	33.33	$ 729.12
8" meter	$ 2.42	$ 1,162.76	53.33	$ 1,165.18

Notes:
(1) Based on 5 percent of revenue requirement allocated equally to each customer.
(2) Based on 45 percent of revenue requirement allocated to each customer in in proportion to meter capacity.
(3) Meter capacity in relation to capacity of a 3/4" water meter.
(4) Sum of customer and capacity costs for each meter size.

The City's wastewater rate structure currently includes a uniform wastewater usage rate for single family customers. For FY 14-15, that rate will be increased by up to 3.0 percent. The same rate would also apply to multi-family customers, as the strength characteristics (BOD and SS) for single family and multi-family customers are the same.

Wastewater flows for single family customers are estimated based on the average monthly water use from December through February of each year. This average winter water use is a reasonable estimate of wastewater flow throughout the year, because it generally reflect water usage in the absence of irrigation demands. Each July, the City determines a wastewater usage charge based on the winter water use and the applicable wastewater usage rate. The monthly service charge is then added to the usage charge to arrive at the total wastewater bill. This bill amount then remains fixed until the following July, when the process is repeated with the then most recent winter water use data and current wastewater rates.

Winter water use can be used to determine wastewater usage charges for multi-family and non-residential customers as well. One potential problem, however, could occur with businesses that have a seasonal component where winter water usage did not necessarily provide a reasonable estimate for wastewater flow throughout the year. It is recommended that the Director of Public Works be extended authority to adjust the wastewater flow volume (usage) for individual customers where this is a concern.

Wastewater utilities generally identify different strength-based usage charges for non-residential customers due to the variation in waste discharges. A fairly simple approach to strength-based rates, and one recommended for the City, is to establish low, medium, and high strength categories. All non-residential customers (with the exception of industrial customers) would be assigned to one of these categories, based on the type of business. A higher usage rate would be established for the higher strength categories, commensurate with the costs of removing BOD and SS for wastewater.

Until non-residential customers can be assigned to a strength category, and additional meter size and water use data obtained, it is recommended that the City use "placeholder" estimates for strength-based wastewater rates for non-residential customers. These would give City staff, as well as customers, a sense for what future rates may be like under this rate approach.

PROPOSED WASTEWATER RATE SCHEDULES

Current and proposed wastewater rate schedules for both flat rates and usage-based rates are presented in **Exhibits III-5** and **III-6**, respectively. All rates reflect an overall 3.0 percent revenue increase relative to the current wastewater rates.

Exhibit III-5
City of Lodi
Current and Proposed Flat Wastewater Rates

	Current (Jul. 2013)	Proposed (Jul. 2014)
Rate Increase (1) -->		**3.0%**
FLAT RATES		
Single Family Residential		
1 Bedroom	$ 25.83	$ 26.60
2 Bedroom	$ 34.44	$ 35.47
3 Bedroom	$ 43.05	$ 44.34
4 Bedroom	$ 51.66	$ 53.21
5 Bedroom	$ 60.27	$ 62.08
6 Bedroom	$ 68.88	$ 70.95
7 Bedroom	$ 77.49	$ 79.81
Duplexes, Triplexes, Fourplexes, Apartments, and Condominiums		
1 Bedroom	$ 25.83	$ 26.60
2 Bedroom	$ 34.44	$ 35.47
3 Bedroom	$ 43.05	$ 44.34
4 Bedroom	$ 51.66	$ 53.21
Mobile Homes		
Any Size	$ 25.83	$ 26.60
Non-Residential		
Per SSU (2)	$ 34.44	$ 35.47

Notes:

(1) Actual rate adjustment will depend on the annual change in the ENR, and will be no more than 3 percent.

(2) Proposed flat wastewater rates for schools are to be determined on the basis of 18 student per SSU.

Exhibit III-6
City of Lodi
Current and Proposed Usage-Based Wastewater Rates

	Current (Jul. 2013)	Proposed (Jul. 2014)
Rate Increase (1)-->		**3.0%**
USAGE-BASED RATES		
Monthly Service Charge		
Single Family (per DU)	$ 23.52	$ 24.23
Multi-Family and Non-Residential		
3/4" meter		$ 24.23
1" meter		$ 38.83
1 1/2" meter		$ 75.03
2" meter		$ 118.63
3" meter		$ 220.45
4" meter		$ 365.88
6" meter		$ 729.12
8" meter		$ 1,165.18
Usage Rates ($/CCF)		
Single Family (2)	$ 2.68	$ 2.76
Multi-Family (2)		$ 2.76
Non-Residential (2) (3)		
Low Strength		*$ 2.76*
Medium Strength		*$ 3.45*
High Strength		*$ 4.49*
Industrial (4)		
Flow (per MG annually)	$ 3,487.41	$ 3,592.03
BOD (per 1,000 lbs annually)	$ 575.51	$ 592.78
SS (per 1,000 lbs annually)	$ 359.85	$ 370.65

Notes:

(1) Actual rate adjustment will depend on the annual change in the ENR, and will be no more than 3 percent.
(2) Usage charge based on winter water use determined as the average from the prior December-February period. Adjusted each July for each account.
(3) Placeholder. These rates not yet in use.
(4) Applies to industrial users discharging into the domestic sewer system.

Wastewater Rates for Schools

During this study, a separate analysis was performed to examine the water use characteristics and estimate wastewater flows for schools in the Lodi Unified School District (LUSD). At present, schools are charged for wastewater service based on student population. High schools are assessed based on 15 students per SSU, and elementary and middle schools are assessed based on 20 students per SSU. An examination of winter water use data (excluding December due to the winter break), as well as consideration of

the overall level of activity at schools throughout the year (including reduced activity in summer months) resulted in a determination that all schools of the LUSD should be charged for wastewater service based on 18 students per SSU. While this change will affect the wastewater bills of all schools, it will have only a minor affect on the aggregate for all schools.

METER INSTALLATION AND TRANSITION TO USAGE-BASED BILLING

The City continues to install water meters on all unmetered water service connections. Below is a summary of the status of the metering program and plans to transition customers from flat wastewater rates to usage-based wastewater rates. Each July an additional batch of customers is transitioned to usage-based wastewater rates.

- ***Single Family*** – More than 50 percent of single family homes now have water meters with two- to three-thousand additional meters installed each year. The transition to usage-based wastewater rates is lagging the transition to usage-based water rates by about 18 months. In July 2014, a second batch of single family customers will transition to usage-based water rates (about 3,700 accounts). The transition to usage-based wastewater rates for single family customers is expected to be completed by about July 2020.

- ***Mobile Home Parks*** – All mobile home parks have now been provided with master water meters on the connections serving each park. The City plans to convert all mobile home parks to usage-based wastewater rates in the near future.

- ***Multi-Family*** – The City will begin installing water meters for apartment and condominium complexes, and plans to complete these installations by 2018. All multi-family accounts (including duplexes, triplexes, and fourplexes) are expected to transition to usage-based wastewater rates in July 2020. Similar to mobile home parks, at that time billing may shift from tenant to property owner.

- ***Non-Residential*** – At present, about 75 percent of non-residential accounts have water meters and are subject to usage-based water rates. With the exception of industrial users, all non-residential customers currently pay flat wastewater rates. Further analysis will be needed to fully develop a strength and usage-based wastewater rate structure for non-residential accounts. It may be several years before these customers are fully transitioned to usage-based rates.

The transition from flat rates to usage-based rates may affect the total amount of customers' wastewater bills. For single family customers many will have a decrease in their monthly wastewater bill with that transition, while others may have an increase. Multi-family customers will generally benefit from the transition to usage-based wastewater rates. It is too early to tell how individual non-residential customers may be affected by the transition.

	A	G	H	I	J	K	L
1				**Exhibit D**			
2							
3				**City of Lodi -- Water Utility**			
4				**Financial Plan Summary**			
5		**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**	**FY 17-18**	**FY 18-19**
6		**2.5%**	**2.5%**	**2.5%**	**3.0%**	**3.0%**	**3.0%**
7		Jan. 2014	Jan. 2015	Jan. 2016	Jan. 2017	Jan. 2018	Jan. 2019
9	**WATER OPERATING FUND (180)**						
10	***Beginning Balance***	7,038,455	7,239,640	8,310,229	7,741,668	4,590,607	4,239,996
11	***Revenues***						
12	Water Sales	12,716,000	13,059,000	13,412,000	13,807,000	14,286,000	14,744,000
13	Interest Earnings	141,000	154,000	159,000	122,000	87,000	162,000
14	Other Revenues	791,070	2,580,400	269,000	272,000	275,000	278,000
15	Transfer from Fund 182 for Debt Service	-	109,000	109,000	109,000	109,000	109,000
16	Total Revenues	13,648,070	15,902,400	13,949,000	14,310,000	14,757,000	15,293,000
17	***Expenditures***						
18	Transfer Out to General Fund (Cost of Services)	780,000	780,000	780,000	780,000	780,000	780,000
19	Transfer Out to Capital Fund 181 for projects	4,500,000	6,000,000	5,500,000	8,250,000	5,700,000	1,000,000
20	To Capital Fund 181 (Depreciation)	-	-	-	-	-	-
22	Personnel Services	2,093,000	2,028,000	2,098,000	2,170,000	2,244,000	2,320,000
23	Utilities	755,000	664,000	693,000	723,000	754,000	787,000
24	Supplies, Mat'ls., Services & Other	2,963,000	3,052,000	3,140,000	3,230,000	3,324,000	3,419,000
26	Debt Service						
27	1991 CSDW Loan Payments	-	-	-	-	-	-
28	Net 2010 Rev. Bond Payments	2,355,886	2,307,811	2,306,561	2,308,061	2,305,611	2,307,111
29	Total Expenditures	13,446,886	14,831,811	14,517,561	17,461,061	15,107,611	10,613,111
30							
31	***Ending Balance***	**7,239,640**	**8,310,229**	**7,741,668**	**4,590,607**	**4,239,996**	**8,919,885**
32	Operating Reserve (25%)	1,648,000	1,631,000	1,678,000	1,726,000	1,776,000	1,827,000
33	Available Balance	5,591,640	6,679,229	6,063,668	2,864,607	2,463,996	7,092,885
34	Debt Service Coverage (min. 1.25)	3.46	4.09	3.15	3.21	3.32	3.46
35							
36	**WATER CAPITAL OUTLAY (181)**						
37	***Beginning Balance***	3,809,103	3,268,379	2,124,379	323,379	196,379	177,379
38	***Revenues***						
39	Operating Transfers In	4,549,755	6,000,000	5,500,000	8,250,000	5,700,000	1,000,000
40	Interest Earnings	70,000	53,000	24,000	5,000	4,000	5,000
41	Retrofit Meter Install. Charge	926,000	-	-	-	-	-
42	Debt Proceeds	-	-	-	-	-	-
43	Total Revenues	5,545,755	6,053,000	5,524,000	8,255,000	5,704,000	1,005,000
44	***Expenditures***						
47	Water Meter/Main Install. Project	4,780,000	5,487,000	6,177,000	7,264,000	2,848,000	-
48	Water Taps	75,000	75,000	77,000	79,000	82,000	84,000
49	Miscellaneous Water Mains	50,000	-	51,000	53,000	54,000	56,000
50	Commercial Meter Replacements	5,000	5,000	5,000	5,000	5,000	6,000
57	Financial System Replacement	250,000	250,000	-	-	-	-
58	GAC & Meter Repl (DBCP)	324,000	300,000	300,000	300,000	300,000	300,000
59	UWMP Update	-	-	51,000	-	-	-
61	Fire Station 2 Water Main	25,000	-	-	-	-	-
62	Meter Fixed Network	-	-	-	-	-	-

	A	G	H	I	J	K	L
5		**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**	**FY 17-18**	**FY 18-19**
63	MSC/Kofu Parking Lot	75,000	-	-	-	-	-
64	Debenedetti Enclosure	30,000	-	-	-	-	-
65	Sacramento Street	127,479	-	-	-	-	-
66	Southwest Gateway Water Tank	-	-	-	200,000	2,000,000	-
67	Surface Water Treatment Plant PS Generator	-	-	300,000	-	-	-
68	Well 1	-	-	166,000	-	-	-
69	Well 2 -Replace Motor	-	-	103,000	-	-	-
70	Well 6R -Pump Rehab/Repl	116,000	-	-	-	-	-
72	Well 5 -Pump Rehab & Electrical Upgrade	-	145,000	-	-	-	-
73	Well 7 -Pump Rehab/Repl	-	-	-	-	-	-
74	Well 8 -Pump Rehab, Electrical Upgrade & Chlorination	-	245,000	-	-	-	-
75	Well 10 - Pump Rehab	-	120,000	-	-	-	-
76	Well 11	-	-	-	175,000	-	-
77	Well 12 -Pump Rehab/Repl	-	-	-	264,000	-	-
78	Well 13 -Pump Rehab & Electrical Upgrade	-	135,000	-	-	-	-
79	Well 14 -Pump Rehab/Repl	-	-	-	-	181,000	-
80	Well 15 -Pump Rehab/Repl	-	-	-	-	190,000	-
81	Well 16 -Pump Rehab/Electrical Upgrade	-	-	-	-	-	224,000
82	Well 17 -Pump Rehab/Electrical Upgrade	-	-	-	-	-	207,000
83	Well 18 -Pumpb Rehab/Electrical Upgrade	-	40,000	-	-	-	-
84	Well 19 -Pump Replacement	4,000	-	-	-	-	-
85	Well 20 -Pump Rehab/Electrical Upgrade	-	145,000	-	-	-	-
86	Well 21	-	-	-	-	-	-
87	Well 22	-	-	-	-	-	-
88	Well 23	-	-	-	-	-	-
89	Well 24 - Pump Rehab & Electrical Upgrade	135,000	-	-	-	-	-
90	Well 25	-	-	-	-	-	-
93	Well Site Improvements	-	100,000	-	-	-	-
97	Vehicles/Equipment	90,000	150,000	95,000	42,000	63,000	45,000
100	Total Expenditures	6,086,479	7,197,000	7,325,000	8,382,000	5,723,000	922,000
101							
102	***Ending Balance***	**3,268,379**	**2,124,379**	**323,379**	**196,379**	**177,379**	**260,379**
103							
104	**IMF WATER FACILITIES (182)**						
105	***Beginning Balance***	(6,846)	52,399	53,399	54,399	55,399	56,399
106	***Revenues***						
107	Water Impact Mitigation Fees	109,000	109,000	109,000	109,000	109,000	109,000
108	Transfer in from Capital Fund 181 (plant design)	-	-	-	-	-	-
109	Transfer in from Capital Fund 181 (Well #27)	-	-	-	-	-	-
110	Interest Earnings	-	1,000	1,000	1,000	1,000	1,000
111	Total Revenues	109,000	110,000	110,000	110,000	110,000	110,000
112	***Expenditures***						
113	Previous projects	-	-	-	-	-	-
114	Surface Water-Design	-	-	-	-	-	-
115	GPS Control Grid	-	-	-	-	-	-
116	Well #27 - Pump, Motor & Site Impr.	-	-	-	-	-	-
117	Well #28	-	-	-	-	-	-
118	IMF Update	-	-	-	-	-	-
119	Transfer out to 1218 for General Plan	-	-	-	-	-	-

	A	G	H	I	J	K	L
5		**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**	**FY 17-18**	**FY 18-19**
120	Transfer to Fund 181 for past projects	-	-	-	-	-	-
121	Transfer to Fund 181 for Well 27	49,755	-	-	-	-	-
122	Transfer to Operations Fund 180 for Debt Service	-	109,000	109,000	109,000	109,000	109,000
124	Total Expenditures	49,755	109,000	109,000	109,000	109,000	109,000
125							
126	***Ending Balance***	**52,399**	**53,399**	**54,399**	**55,399**	**56,399**	**57,399**
127	Owed Fund 180 for Debt Service	5,345,000	6,775,000	8,204,000	9,634,000	11,062,000	12,491,000
175							
176							
177							
178	**Aggregate End-of-Year Balance ***	**12,916,000**	**12,844,000**	**10,475,000**	**7,198,000**	**6,830,000**	**11,594,000**
179	Operating Reserve (25%)	1,648,000	1,631,000	1,678,000	1,726,000	1,776,000	1,827,000
180	Restricted DS Reserve	2,356,000	2,356,000	2,356,000	2,356,000	2,356,000	2,356,000
181	2010 COP Proceeds	-	-	-	-	-	-
182	Rate Stabilization Fund	-	-	-	-	-	-
183	Net Available for Capital Projects	8,912,000	8,857,000	6,441,000	3,116,000	2,698,000	7,411,000
186							
187		**City of Lodi -- Water Utility**					
188		**Financial Plan Assumptions**					
189							
190	***Financial Assumptions***						
191	General Inflation	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
192	Labor Inflation	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
193	Material/Energy Inflation	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
194	Construction Inflation	2.5%	2.5%	2.5%	3.0%	3.0%	3.0%
195	Interest Earnings	2.0%	2.0%	2.0%	2.0%	2.0%	2.5%
196	***Customer Account Assumptions***						
197	No. of DUs/Accounts	23,506	23,556	23,606	23,656	23,706	23,756
198	No. of 3/4" Eq. Mtrs.	25,554	25,604	25,654	25,704	25,754	25,804
199	No. of New Connections	50	50	50	50	50	50
200	Customer Growth Rate	0.20%	0.20%	0.19%	0.19%	0.19%	0.19%
201	Water Mitigation Impact Fee						
202	Residential	$ 1,263	$ 1,263	$ 1,263	$ 1,263	$ 1,263	$ 1,263
203	Non-Residential	3,103	3,103	3,103	3,103	3,103	3,103

	A	G	H	I	J	K	L
1			**Exhibit E**				
2							
3			**City of Lodi -- Wastewater Utility**				
4			**Financial Plan Summary**				
5		**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**	**FY 17-18**	**FY 18-19**
6		**2.5%**	**2.5%**	**2.5%**	**3.0%**	**3.0%**	**3.0%**
7	**WASTEWATER OPERATING FUND (170)**						
8	***Beginning Balance***	3,240,603	3,811,123	2,639,962	4,538,962	6,020,062	5,798,262
9	***Revenues***						
10	Wastewater Sales	14,118,000	14,499,000	14,890,000	15,366,000	15,858,000	16,365,000
12	Interest Earnings	37,000	43,000	110,000	176,000	228,000	220,000
13	Other Revenues	234,400	241,200	248,000	255,900	263,800	271,800
14	Transfer In for Debt Service (172)	31,000	31,000	110,000	110,000	110,000	110,000
15	Transfer In for Debt Service (173)	16,000	149,000	150,000	154,000	154,000	154,000
16	Transfer From/(To) Rate Stabilization Fund (174)	-	-	-	-	-	-
17							
18	Total Revenues	14,436,400	14,963,200	15,508,000	16,061,900	16,613,800	17,120,800
19	***Expenditures***						
20	Operating Transfers Out (to GF)	-	-	-	-	-	-
21	Transfer Out to Gen'l Fund (Cost of Services)	1,068,000	1,068,000	1,068,000	1,068,000	1,068,000	1,451,478
22	Transfer Out to WW Capital Outlay (171)	-	5,500,000	2,750,000	3,500,000	5,500,000	500,000
23	Transfer Out To WW Cap. Rsrv. (172)	-	-	-	-	-	-
24	Administration & Other	1,124,330	1,160,173	1,204,000	1,248,800	1,294,600	1,342,400
25	Plant Maintenance	3,948,650	3,989,577	4,146,000	4,308,000	4,476,000	4,652,000
26	Sanitary System Maintenance	611,260	406,782	422,000	438,000	454,000	471,000
27	Storm Drainage Maintenance	415,710	313,813	327,000	340,000	354,000	368,000
28	Industrial System Maintenance	23,930	25,016	26,000	27,000	28,000	29,000
29	2003 Wastewater COP Debt Service	3,050,000	-	-	-	-	-
30	2004 Wastewater COP Debt Service	98,000	98,000	98,000	98,000	98,000	98,000
31	2007 Wastewater COP Debt Service	1,604,000	1,603,000	1,607,000	1,606,000	1,614,000	1,617,000
32	2012 Wastewater Refinancing	1,922,000	1,970,000	1,961,000	1,947,000	1,949,000	1,949,000
33	Total Expenditures	13,865,880	16,134,361	13,609,000	14,580,800	16,835,600	12,477,878
34							
35	***Ending Balance***	**3,811,123**	**2,639,962**	**4,538,962**	**6,020,062**	**5,798,262**	**10,441,184**
36	Operating Reserve (25%)	2,986,000	2,166,000	2,225,000	2,283,000	2,347,000	2,507,000
37	Available Balance	825,123	473,962	2,313,962	3,737,062	3,451,262	7,934,184
38	Debt Service Coverage (min. = 1.20)	**1.11**	**2.18**	**2.27**	**2.36**	**2.44**	**2.40**
39	without COST	2.33	2.47	2.56	2.66	2.73	2.80
40	**WASTEWATER CAPITAL OUTLAY (171)**						
41	***Beginning Balance***	9,242,732	7,767,857	295,160	1,606,589	245,018	417,446

	A	G	H	I	J	K	L
5		**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**	**FY 17-18**	**FY 18-19**
42	***Revenues***						
43	Transfer In (from 170)	-	5,500,000	2,750,000	3,500,000	5,500,000	500,000
44	Transfer In (from 170-Deprec.)	-	-	-	-	-	-
45	Other Revenue	96,429	96,429	96,429	96,429	96,429	96,429
46	Investment Earnings	-	-	-	-	-	-
47							
48	Total Revenues	96,429	5,596,429	2,846,429	3,596,429	5,596,429	596,429
49	***Expenditures***						
52	Financial System Replacement	250,000	250,000	-	-	-	-
61	Elm to Pine Alley Sewer/Laurel Storm Project	33,000	-	-	-	-	-
62	Misc. System Relocations	35,000	35,000	36,000	38,000	39,000	41,000
63	Misc. Wastewater Taps	40,000	40,000	42,000	43,000	45,000	47,000
64	Collect. System Capac. Enhanc. Projects	-	-	208,000	22,000	225,000	23,000
65	Wastewater Main Replac./Lining Proj.	100,000	2,000,000	104,000	2,163,000	-	-
66	Storm Drain Trash Handling System	-	700,000	-	-	-	-
67	Sacramento Street	56,304	-	-	-	-	-
68	Lodi Lake Pump Station		-	-	100,000	1,000,000	-
69	Lodi Lake Outfall Line	-	-	100,000	-	-	-
70	Realignment of Domestic & Industrial pipe		1,082,125	-	-	-	-
74	Domestic Trunk Assessment and Rehab	-	-	-	200,000	2,000,000	-
75	MSC/Kofu Parking Lot	75,000	-	-	-	-	-
81	Vehicles /Equipment	75,000	545,000	104,000	162,000	169,000	175,000
82	White Slough Compliance Studies & Rpts	-	-	-	-	-	-
83	Plant Maint. & Land Applic. Area Improv.	-	270,000	-	-	-	-
85	Influent Screening Replacement	-	2,000,000	-	-	-	-
86	UV Disinfection Upgrade	-	300,000	-	-	-	-
87	Aeration Diffuser Replacement	-	-	-	500,000	-	-
88	Cloth Filter Media Replacement	30,000	-	31,000	-	34,000	-
89	Digested Sludge Line to Presses	30,000	-	-	-	-	-
90	Electrical Upgrades	-	600,000	-	-	-	-
91	Admin/Ops Building Improvements	-	750,000	-	-	-	-
92	Rotary Press Maintenance Crane & air compressor	30,000	-	-	-	-	-
93	Pond Gates	35,000	-	-	-	-	-
94	Shop Rollup Door	8,000	-	-	-	-	-
95	Emergency Generator Maintenance	20,000	-	-	-	-	-
96	Road to Outfall Repair	10,000	-	-	-	-	-
97	Secondary Scum Trough Drives	12,000	-	-	-	-	-
98	Misc Paving	10,000	1,000,000	-	-	-	-
99	SCADA Upgrades/PLC Replacement	-	130,000	-	-	-	-
100	Primary Chain & Flights	80,000	45,000	-	-	-	-
104	Effluent Irrigation Improvements	-	-	780,000	1,622,000	-	-
105	Dewatering screwpress	-	1,200,000	-	-	-	-

	A	G	H	I	J	K	L
5		**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**	**FY 17-18**	**FY 18-19**
106	Irrigation Conveyance & Pumping Construction	-	-	-	-	1,800,000	-
108	Micro Turbine	-	1,200,000	-	-	-	-
112	Fence Repairs/Upgrades	-	-	26,000	-	-	29,000
113	Anaerobic Digester Painting	90,000	-	-	-	-	-
116	WSWPCF Building/Restroom Expansion	300,000	-	-	-	-	-
117	Plant Security Enhancements	130,000	-	-	-	-	-
118	Miscellaneous Future Projects	100,000	100,000	104,000	108,000	112,000	117,000
120	Total Expenditures	1,571,304	13,069,125	1,535,000	4,958,000	5,424,000	432,000
122	***Ending Balance***	**7,767,857**	**295,160**	**1,606,589**	**245,018**	**417,446**	**581,875**
123							
124							
125	**WASTEWATER CAPITAL RESERVE (172)**						
126	***Beginning Balance***	3,135,539	3,135,539	3,135,539	3,135,539	3,135,539	3,135,539
127	***Revenues***						
129	Transfer In from 170	-	-	-	-	-	-
130	Interest Earnings	31,000	31,000	110,000	110,000	110,000	110,000
131	Total Revenues	31,000	31,000	110,000	110,000	110,000	110,000
132	***Expenditures***						
134	White Slough Solids Handling Facility	-	-	-	-	-	-
135	White Slough Sludge Thickening	-	-	-	-	-	-
136	Transfer Out to 170 (for Debt Service)	31,000	31,000	110,000	110,000	110,000	110,000
138	Total Expenditures	31,000	31,000	110,000	110,000	110,000	110,000
140	***Ending Balance***	**3,135,539**	**3,135,539**	**3,135,539**	**3,135,539**	**3,135,539**	**3,135,539**
141	Restricted Debt Service Reserve	2,379,536	2,379,536	2,379,536	2,379,536	2,379,536	2,379,536
142	2007 COP Proceeds (w/ fiscal agent)	756,003	756,003	756,003	756,003	756,003	756,003
143	Cash Deficit (amt. owed for past DS)	-	-	-	-	-	-
144							
145							
146	**IMF WASTEWATER FACILITIES (173)**						
147	***Beginning Balance***	15,775	148,775	149,775	153,775	153,775	153,775
148	***Revenues***						
149	Wastewater IMF	149,000	149,000	149,000	149,000	149,000	149,000
151	Interest Earnings	-	1,000	5,000	5,000	5,000	5,000
152	Total Revenues	149,000	150,000	154,000	154,000	154,000	154,000
153	***Expenditures***						
154	Transfer Out (to 170 for Debt Service)	16,000	149,000	150,000	154,000	154,000	154,000
156	Transfer Out (refund PCE/TCE)	-	-	-	-	-	-

	A	G	H	I	J	K	L
5		**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**	**FY 17-18**	**FY 18-19**
159	City-Wide IMF Program Update	-	-	-	-	-	-
161	Total Expenditures	16,000	149,000	150,000	154,000	154,000	154,000
163	***Ending Balance***	**148,775**	**149,775**	**153,775**	**153,775**	**153,775**	**153,775**
164	Owed to Fund 170 for Debt Service	2,199,000	3,010,000	3,823,000	4,631,000	5,444,000	6,259,000
165							
166	**WW Rate Stabilization Fund (174)**						
167	***Beginning Balance***	500,000	500,000	500,000	500,000	500,000	500,000
168	***Revenues***						
169	Transfer In from 170	-	-	-	-	-	-
171	Total Revenues	-	-	-	-	-	-
172	***Expenditures***						
173	Transfer Out to 170	-	-	-	-	-	-
175	Total Expenditures	-	-	-	-	-	-
177	***Ending Balance***	**500,000**	**500,000**	**500,000**	**500,000**	**500,000**	**500,000**
178							
179							
180	**Aggregate End-of-Year Balance**	**15,363,000**	**6,720,000**	**9,935,000**	**10,054,000**	**10,005,000**	**14,812,000**
181	Operating Reserve (25%)	2,986,000	2,166,000	2,225,000	2,283,000	2,347,000	2,507,000
182	Restricted DS Reserve	2,379,536	2,379,536	2,379,536	2,379,536	2,379,536	2,379,536
183	2007 COP Proceeds	756,003	756,003	756,003	756,003	756,003	756,003
184	Rate Stabilization Fund	500,000	500,000	500,000	500,000	500,000	500,000
185	Net Available for Capital Projects	8,741,461	918,461	4,074,461	4,135,461	4,022,461	8,669,461
186							
187							
188							
199	**City of Lodi -- Wastewater Utility**						
200	**Financial Plan Assumptions**						
201	***Financial Assumptions***						
202	General Inflation	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
203	Labor Inflation	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
204	Material/Energy Inflation	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
205	Construction Inflation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
206	Interest Earnings	1.0%	1.0%	3.5%	3.5%	3.5%	3.5%
207							
208	***Cust. Growth (SSUs)***	50	50	50	50	50	50
209	Wastewater Mitigation Impact Fee						
210	Residential 3/4"	$ 1,720	$ 1,720	$ 1,720	$ 1,720	$ 1,720	$ 1,720
211	Non-Residential 3/4"	4,225	4,225	4,225	4,225	4,225	4,225

Exhibit F

City of Lodi
Current and Proposed Flat Water Rates

			Future Rate Ceiling				
	Current (Jan. 2013)	**Proposed (Jan. 2014)**	**Proposed (Jan. 2015)**	**Proposed (Jan. 2016)**	**Proposed (Jan. 2017)**	**Proposed (Jan. 2018)**	**Proposed (Jan. 2019)**
Rate Increase -->		**2.5%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
FLAT RATES							
Single Family Residential							
1 Bedroom	$ 29.90	$ 30.65	$ 31.57	$ 32.52	$ 33.50	$ 34.51	$ 35.55
2 Bedroom	$ 35.91	$ 36.81	$ 37.91	$ 39.05	$ 40.22	$ 41.43	$ 42.67
3 Bedroom	$ 43.04	$ 44.12	$ 45.44	$ 46.80	$ 48.20	$ 49.65	$ 51.14
4 Bedroom	$ 51.72	$ 53.01	$ 54.60	$ 56.24	$ 57.93	$ 59.67	$ 61.46
5 Bedroom	$ 62.03	$ 63.58	$ 65.49	$ 67.45	$ 69.47	$ 71.55	$ 73.70
6 Bedroom	$ 74.44	$ 76.30	$ 78.59	$ 80.95	$ 83.38	$ 85.88	$ 88.46
Multi-Family (1)							
1 Bedroom	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
2 Bedroom	$ 30.79	$ 31.56	$ 32.51	$ 33.49	$ 34.49	$ 35.52	$ 36.59
3 Bedroom	$ 36.94	$ 37.86	$ 39.00	$ 40.17	$ 41.38	$ 42.62	$ 43.90
4 Bedroom	$ 44.32	$ 45.43	$ 46.79	$ 48.19	$ 49.64	$ 51.13	$ 52.66
Mobile Homes							
Any Size	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
Non-Residential							
Existing unmetered	Varies	+2.5%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, and condominiums.

City of Lodi
Current and Proposed Usage-Based Water Rates

				Future Rate Ceiling				
	Current (Jan. 2013)	**Proposed (Jan. 2014)**	**Proposed (Jan. 2014)**	**Proposed (Jan. 2015)**	**Proposed (Jan. 2016)**	**Proposed (Jan. 2017)**	**Proposed (Jan. 2018)**	**Proposed (Jan. 2019)**
Rate Increase -->		**2.5%** (2)	(3)	**3.0%** (4)	**3.0%** (4)	**3.0%**	**3.0%**	**3.0%**
USAGE-BASED RATES								
Monthly Service Charge								
Single Family								
Up to 3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 75.42	$ 77.31	$ 72.45	$ 69.63	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 119.79	$ 122.78	$ 114.71	$ 109.84	$ 101.52	$ 104.57	$ 107.71	$ 110.94
Multi-Family and Non-Residential (1)								
Up to 3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 60.24	$ 61.75	$ 62.08	$ 64.28	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 75.27	$ 77.15	$ 84.29	$ 94.17	$ 101.52	$ 104.57	$ 107.71	$ 110.94
3" meter	$ 105.38	$ 108.01	$ 132.74	$ 162.18	$ 187.65	$ 193.28	$ 199.08	$ 205.05
4" meter	$ 135.51	$ 138.90	$ 193.14	$ 254.80	$ 310.67	$ 319.99	$ 329.59	$ 339.48
6" meter	$ 195.68	$ 200.57	$ 333.69	$ 480.82	$ 617.94	$ 636.48	$ 655.57	$ 675.24
8" meter	$ 255.91	$ 262.31	$ 494.23	$ 747.94	$ 986.82	$ 1,016.42	$ 1,046.91	$ 1,078.32
10" meter	$ 316.01	$ 323.91	$ 674.61	$ 1,056.08	$ 1,417.30	$ 1,459.82	$ 1,503.61	$ 1,548.72
Usage Rates ($/CCF)								
Single Family								
Tier 1 (0-10 CCF)	$ 0.92	$ 0.94	$ 0.94	$ 0.97	$ 0.96	$ 0.99	$ 1.02	$ 1.05
Tier 2 (11-50 CCF)	$ 1.38	$ 1.41	$ 1.35	$ 1.33	$ 1.27	$ 1.31	$ 1.35	$ 1.39
Tier 3 (>50 CCF)	$ 1.82	$ 1.87	$ 1.76	$ 1.70	$ 1.59	$ 1.64	$ 1.69	$ 1.74
Multi-Family and Non-Residential (1)								
All water usage	$ 0.92	$ 0.94	$ 1.00	$ 1.09	$ 1.14	$ 1.17	$ 1.21	$ 1.25

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) This schedule includes the proposed indexing of 2.5 percent, with no rate structure changes.
(3) This rate schedule is revenue neutral relative to the proposed newly indexed January 2014 water rates, but includes the beginning of the proposed 3-year phased changes to the rate structure.
(4) These rate schedules reflect the second and third year of the 3-year rate structure phasing, as well as the maximum potential rate adjustment due to ENR indexing.

City of Lodi
Current and Proposed Flat Wastewater Rates

		Future Rate Ceiling				
	Current (Jul. 2013)	**Proposed (Jul. 2014)**	**Proposed (Jul. 2015)**	**Proposed (Jul. 2016)**	**Proposed (Jul. 2017)**	**Proposed (Jul. 2018)**
Rate Increase -->		**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
FLAT RATES						
Single Family Residential						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
5 Bedroom	$ 60.27	$ 62.08	$ 63.94	$ 65.86	$ 67.84	$ 69.88
6 Bedroom	$ 68.88	$ 70.95	$ 73.08	$ 75.27	$ 77.53	$ 79.86
7 Bedroom	$ 77.49	$ 79.81	$ 82.20	$ 84.67	$ 87.21	$ 89.83
Duplexes, Triplexes, Fourplexes, Apartments, and Condominiums						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
Mobile Homes						
Any Size	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
Non-Residential (1)						
Per SSU	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92

Notes:

(1) Proposed flat wastewater rates for schools are to be determined on the basis of 18 student per SSU.

City of Lodi
Current and Proposed Usage-Based Wastewater Rates

		Future Rate Ceiling				
	Current (Jul. 2013)	**Proposed (Jul. 2014)**	**Proposed (Jul. 2015)**	**Proposed (Jul. 2016)**	**Proposed (Jul. 2017)**	**Proposed (Jul. 2018)**
Rate Increase -->		**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
USAGE-BASED RATES						
Monthly Service Charge						
Single Family (per DU)	$ 23.52	$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
Multi-Family and Non-Residential (1)						
Up to 3/4" meter		$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
1" meter		$ 38.83	$ 39.99	$ 41.19	$ 42.43	$ 43.70
1 1/2" meter		$ 75.03	$ 77.28	$ 79.60	$ 81.99	$ 84.45
2" meter		$ 118.63	$ 122.19	$ 125.86	$ 129.64	$ 133.53
3" meter		$ 220.45	$ 227.06	$ 233.87	$ 240.89	$ 248.12
4" meter		$ 365.88	$ 376.86	$ 388.17	$ 399.82	$ 411.81
6" meter		$ 729.12	$ 750.99	$ 773.52	$ 796.73	$ 820.63
8" meter		$ 1,165.18	$ 1,200.14	$ 1,236.14	$ 1,273.22	$ 1,311.42
Usage Rates ($/CCF)						
Single Family (2)	$ 2.68	$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Multi-Family (2)		$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Non-Residential (2) (3)						
Low Strength		*$ 2.76*	*$ 2.84*	*$ 2.93*	*$ 3.02*	*$ 3.11*
Medium Strength		*$ 3.45*	*$ 3.55*	*$ 3.66*	*$ 3.77*	*$ 3.88*
High Strength		*$ 4.49*	*$ 4.62*	*$ 4.76*	*$ 4.90*	*$ 5.05*
Industrial (4)						
Flow (per MG annually)	$ 3,487.41	$ 3,592.03	$ 3,699.79	$ 3,810.78	$ 3,925.10	$ 4,042.85
BOD (per 1,000 lbs annually)	$ 575.51	$ 592.78	$ 610.56	$ 628.88	$ 647.75	$ 667.18
SS (per 1,000 lbs annually)	$ 359.85	$ 370.65	$ 381.77	$ 393.22	$ 405.02	$ 417.17

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) Usage charge based on winter water use determined as the average from the prior December-February period. Adjusted each July for each account.
(3) Placeholder. These rates not yet in use.
(4) Applies to industrial users discharging into the domestic sewer system.

Exhibit G

2/18/2014

CITY OF LODI
COMMERCIAL COMPACTOR RATES
EFFECTIVE April 1, 2014 TO March 31, 2015

Commercial Compactor Rates					
Service	**1X Week**	**2X Week**	**3X Week**	**4X Week**	**5X Week**
2 Cubic Yard Compactor	$290.35	$580.70	$871.05	$1,161.40	$1,451.75
3 Cubic Yard Compactor	$358.76	$717.53	$1,076.29	$1,435.05	$1,793.81
4 Cubic Yard Compactor	$427.73	$855.45	$1,283.18	$1,710.90	$2,138.63

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL SETTING FUTURE WATER, WASTEWATER AND SOLID WASTE RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS

==========

WHEREAS, the Council of the City of Lodi finds as follows:

1. The City of Lodi provides water supply and wastewater disposal service to its citizens and provides solid waste disposal service through a Franchise Agreement with USA Waste of California, Inc. (Waste Management);

2. The City charges customers of the water and wastewater utilities a charge to fund the on-going operation and maintenance of the water supply and wastewater disposal service;

3. Pursuant to Lodi Municipal Code Section 13.16.110 (Ordinance No. 1709), the schedule of rates for solid waste collection shall be established and adopted by the City Council from time to time by Resolution;

4. Waste Management has requested increases to the current solid waste disposal rates for inflation and increased disposal fees as permitted under their Franchise Agreement;

5. On October 15, 2013, November 6, 2013, December 18, 2013, and March 5, 2014, Council received advisory water, wastewater and solid waste rates for residential, commercial and industrial customers, as the City transitions to a metered water system to comply with State law;

6. Staff recommends adopting future adjustments with limits to usage-based and flat water and wastewater rates for residential, multi-family, and non-residential customers as presented in Exhibit A to become effective upon City Council approval of rate increase resolutions at a future date;

7. Staff recommends approval of the Property Owner Meter Charge Schedule for water meters, as presented in Exhibit B;

8. Staff recommends approval of the Waste Management Commercial Compactor Rate schedule, as presented in Exhibit C;

9. The Council directed that notice of a hearing thereon be given to the property owners and water service and wastewater disposal utility customers in the City, with such notice to include, among other matters, the information required to be included pursuant to California law;

10. Pursuant to California Constitution, Article XIIIC and Government Code 53755, such notice has been mailed to those property owners and account holders, at least 45 days before the hearing, as evidenced by a Certificate of Mailing on file with the City Clerk;

11. The Council also directed that notice of a hearing thereon be given with such notice to include the information required to be included pursuant to Government Code section 54354.5;

12. Such notice has been published once each week for two weeks, in accordance with Government Code section 54354.5, in the Lodi News-Sentinel as evidenced by Proofs of Publication on file with the City Clerk;

13. On May 7, 2014, the City Council conducted said public hearing, at which time the City Council heard all objections and protests to the proposed usage-based and flat water and wastewater rates for residential, commercial and industrial customers;

14. Written protests against the proposed usage-based and flat water and wastewater rates and solid waste rates for residential, commercial and industrial customers were not presented by a majority of the property owners and water, wastewater and solid waste utility customers; and

15. The proposed usage-based and flat water and wastewater rates and solid waste rates for residential, commercial and industrial customers are not discriminatory or excessive, are sufficient under Government Code section 54515, comply with the provisions or covenants of any outstanding revenue bonds of the City payable from the revenues of the enterprise, comply with the provisions of Title 5, Division 2, Chapter 6 of the Government Code, and are in compliance with all other applicable law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi as follows:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Levy of Charges. Pursuant to Sections 13.08.010, 13.12.240, and 13.16.110 of the Lodi Municipal Code, the usage-based and flat water and wastewater and solid waste rates for residential, commercial, and industrial customers; the property owner meter charge schedule for water meters; and the Waste Management Commercial Compactor rate schedule, as attached hereto as Exhibits A, B, and C are hereby approved.

Section 3. Future Adjustments. As provided by Government Code Section 53756, the future adjustments shown in Exhibit A may be adopted annually for a period of five years by resolution beginning May 8, 2014 through December 31, 2018 for water, wastewater and solid waste rates, with Council approval following a public hearing, in an amount not to exceed the smaller of the limits stated in Exhibit A or the percentage change in the Engineering News Record (ENR) Twenty Cities Annual Average Index for water and wastewater or other index as approved by the City Council by resolution. For solid waste rates, the annual adjustment will not exceed either (a) 80 percent of the annual change in the Consumer Price Index for all Urban Consumers for San Francisco-Oakland-San Jose, California area (CPI), All Items (1982 – 84 = 100) published by the Bureau of Labor Statistics, plus an adjustment for extraordinary increases in landfill fees, fuel and energy costs and changes in law up to 100 percent of the annual change in the CPI, or (b) 100 percent of the annual change in the CPI without those other adjustments but with a certification that Waste Management's costs had increased by more than 100 percent of the change in the CPI. The adjustment shall not be made if it causes rates to exceed the cost of service and Notice of the Adjustment shall be mailed to each account not less than 30 days before the effective date of the adjustment.

Section 4. Effective Date. This resolution shall take effect from and after the date of its passage.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

Exhibit A

City of Lodi
Current and Proposed Flat Water Rates

			Future Rate Ceiling				
	Current (Jan. 2013)	**Proposed (Jan. 2014)**	**Proposed (Jan. 2015)**	**Proposed (Jan. 2016)**	**Proposed (Jan. 2017)**	**Proposed (Jan. 2018)**	**Proposed (Jan. 2019)**
Rate Increase -->		**2.5%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
FLAT RATES							
Single Family Residential							
1 Bedroom	$ 29.90	$ 30.65	$ 31.57	$ 32.52	$ 33.50	$ 34.51	$ 35.55
2 Bedroom	$ 35.91	$ 36.81	$ 37.91	$ 39.05	$ 40.22	$ 41.43	$ 42.67
3 Bedroom	$ 43.04	$ 44.12	$ 45.44	$ 46.80	$ 48.20	$ 49.65	$ 51.14
4 Bedroom	$ 51.72	$ 53.01	$ 54.60	$ 56.24	$ 57.93	$ 59.67	$ 61.46
5 Bedroom	$ 62.03	$ 63.58	$ 65.49	$ 67.45	$ 69.47	$ 71.55	$ 73.70
6 Bedroom	$ 74.44	$ 76.30	$ 78.59	$ 80.95	$ 83.38	$ 85.88	$ 88.46
Multi-Family (1)							
1 Bedroom	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
2 Bedroom	$ 30.79	$ 31.56	$ 32.51	$ 33.49	$ 34.49	$ 35.52	$ 36.59
3 Bedroom	$ 36.94	$ 37.86	$ 39.00	$ 40.17	$ 41.38	$ 42.62	$ 43.90
4 Bedroom	$ 44.32	$ 45.43	$ 46.79	$ 48.19	$ 49.64	$ 51.13	$ 52.66
Mobile Homes							
Any Size	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
Non-Residential							
Existing unmetered	Varies	+2.5%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, and condominiums.

City of Lodi
Current and Proposed Usage-Based Water Rates

				Future Rate Ceiling				
	Current (Jan. 2013)	**Proposed (Jan. 2014)**	**Proposed (Jan. 2014)**	**Proposed (Jan. 2015)**	**Proposed (Jan. 2016)**	**Proposed (Jan. 2017)**	**Proposed (Jan. 2018)**	**Proposed (Jan. 2019)**
Rate Increase -->		**2.5%** (2)	(3)	**3.0%** (4)	**3.0%** (4)	**3.0%**	**3.0%**	**3.0%**
USAGE-BASED RATES								
Monthly Service Charge								
Single Family								
Up to 3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 75.42	$ 77.31	$ 72.45	$ 69.63	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 119.79	$ 122.78	$ 114.71	$ 109.84	$ 101.52	$ 104.57	$ 107.71	$ 110.94
Multi-Family and Non-Residential (1)								
Up to 3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 60.24	$ 61.75	$ 62.08	$ 64.28	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 75.27	$ 77.15	$ 84.29	$ 94.17	$ 101.52	$ 104.57	$ 107.71	$ 110.94
3" meter	$ 105.38	$ 108.01	$ 132.74	$ 162.18	$ 187.65	$ 193.28	$ 199.08	$ 205.05
4" meter	$ 135.51	$ 138.90	$ 193.14	$ 254.80	$ 310.67	$ 319.99	$ 329.59	$ 339.48
6" meter	$ 195.68	$ 200.57	$ 333.69	$ 480.82	$ 617.94	$ 636.48	$ 655.57	$ 675.24
8" meter	$ 255.91	$ 262.31	$ 494.23	$ 747.94	$ 986.82	$ 1,016.42	$ 1,046.91	$ 1,078.32
10" meter	$ 316.01	$ 323.91	$ 674.61	$ 1,056.08	$ 1,417.30	$ 1,459.82	$ 1,503.61	$ 1,548.72
Usage Rates ($/CCF)								
Single Family								
Tier 1 (0-10 CCF)	$ 0.92	$ 0.94	$ 0.94	$ 0.97	$ 0.96	$ 0.99	$ 1.02	$ 1.05
Tier 2 (11-50 CCF)	$ 1.38	$ 1.41	$ 1.35	$ 1.33	$ 1.27	$ 1.31	$ 1.35	$ 1.39
Tier 3 (>50 CCF)	$ 1.82	$ 1.87	$ 1.76	$ 1.70	$ 1.59	$ 1.64	$ 1.69	$ 1.74
Multi-Family and Non-Residential (1)								
All water usage	$ 0.92	$ 0.94	$ 1.00	$ 1.09	$ 1.14	$ 1.17	$ 1.21	$ 1.25

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) This schedule includes the proposed indexing of 2.5 percent, with no rate structure changes.
(3) This rate schedule is revenue neutral relative to the proposed newly indexed January 2014 water rates, but includes the beginning of the proposed 3-year phased changes to the rate structure.
(4) These rate schedules reflect the second and third year of the 3-year rate structure phasing, as well as the maximum potential rate adjustment due to ENR indexing.

City of Lodi
Current and Proposed Flat Wastewater Rates

		Future Rate Ceiling				
	Current (Jul. 2013)	**Proposed (Jul. 2014)**	**Proposed (Jul. 2015)**	**Proposed (Jul. 2016)**	**Proposed (Jul. 2017)**	**Proposed (Jul. 2018)**
Rate Increase -->		**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
FLAT RATES						
Single Family Residential						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
5 Bedroom	$ 60.27	$ 62.08	$ 63.94	$ 65.86	$ 67.84	$ 69.88
6 Bedroom	$ 68.88	$ 70.95	$ 73.08	$ 75.27	$ 77.53	$ 79.86
7 Bedroom	$ 77.49	$ 79.81	$ 82.20	$ 84.67	$ 87.21	$ 89.83
Duplexes, Triplexes, Fourplexes, Apartments, and Condominiums						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
Mobile Homes						
Any Size	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
Non-Residential (1)						
Per SSU	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92

Notes:

(1) Proposed flat wastewater rates for schools are to be determined on the basis of 18 student per SSU.

City of Lodi
Current and Proposed Usage-Based Wastewater Rates

		Future Rate Ceiling				
	Current (Jul. 2013)	**Proposed (Jul. 2014)**	**Proposed (Jul. 2015)**	**Proposed (Jul. 2016)**	**Proposed (Jul. 2017)**	**Proposed (Jul. 2018)**
Rate Increase -->		**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
USAGE-BASED RATES						
Monthly Service Charge						
Single Family (per DU)	$ 23.52	$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
Multi-Family and Non-Residential (1)						
Up to 3/4" meter		$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
1" meter		$ 38.83	$ 39.99	$ 41.19	$ 42.43	$ 43.70
1 1/2" meter		$ 75.03	$ 77.28	$ 79.60	$ 81.99	$ 84.45
2" meter		$ 118.63	$ 122.19	$ 125.86	$ 129.64	$ 133.53
3" meter		$ 220.45	$ 227.06	$ 233.87	$ 240.89	$ 248.12
4" meter		$ 365.88	$ 376.86	$ 388.17	$ 399.82	$ 411.81
6" meter		$ 729.12	$ 750.99	$ 773.52	$ 796.73	$ 820.63
8" meter		$ 1,165.18	$ 1,200.14	$ 1,236.14	$ 1,273.22	$ 1,311.42
Usage Rates ($/CCF)						
Single Family (2)	$ 2.68	$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Multi-Family (2)		$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Non-Residential (2) (3)						
Low Strength		*$ 2.76*	*$ 2.84*	*$ 2.93*	*$ 3.02*	*$ 3.11*
Medium Strength		*$ 3.45*	*$ 3.55*	*$ 3.66*	*$ 3.77*	*$ 3.88*
High Strength		*$ 4.49*	*$ 4.62*	*$ 4.76*	*$ 4.90*	*$ 5.05*
Industrial (4)						
Flow (per MG annually)	$ 3,487.41	$ 3,592.03	$ 3,699.79	$ 3,810.78	$ 3,925.10	$ 4,042.85
BOD (per 1,000 lbs annually)	$ 575.51	$ 592.78	$ 610.56	$ 628.88	$ 647.75	$ 667.18
SS (per 1,000 lbs annually)	$ 359.85	$ 370.65	$ 381.77	$ 393.22	$ 405.02	$ 417.17

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) Usage charge based on winter water use determined as the average from the prior December-February period. Adjusted each July for each account.
(3) Placeholder. These rates not yet in use.
(4) Applies to industrial users discharging into the domestic sewer system.

Exhibit B

Meter Charge Schedule

Meter Size	Price Based (Cost x 1.55)
¾	$300
1	$350
1 ½	$780
2	$970
3	$1,980
4	$3,570
6	$6,760
8	$11,520

Exhibit C

2/18/2014

CITY OF LODI
COMMERCIAL COMPACTOR RATES
EFFECTIVE April 1, 2014 TO March 31, 2015

Commercial Compactor Rates					
Service	**1X Week**	**2X Week**	**3X Week**	**4X Week**	**5X Week**
2 Cubic Yard Compactor	$290.35	$580.70	$871.05	$1,161.40	$1,451.75
3 Cubic Yard Compactor	$358.76	$717.53	$1,076.29	$1,435.05	$1,793.81
4 Cubic Yard Compactor	$427.73	$855.45	$1,283.18	$1,710.90	$2,138.63

Please immediately confirm receipt of this fax by calling 333-6702

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: **PUBLIC HEARING TO CONSIDER ADOPTING RESOLUTION SETTING FUTURE WATER, WASTEWATER, AND SOLID WASTE RATE SCHEDULES PURSUANT TO PROPOSITION 218 FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS**

PUBLISH DATE: **SATURDAY, MARCH 15, 2014**
SATURDAY, MARCH 22, 2014

LEGAL AD

TEAR SHEETS WANTED: **One (1) please**

SEND AFFIDAVIT AND BILL TO:
LNS ACCT. #0510052

RANDI JOHL-OLSON, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, MARCH 6, 2014

ORDERED BY: RANDI JOHL-OLSON
CITY CLERK

Jennifer M. Robison

JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to the Sentinel at 369-1084 at _____(time) on _____(date) _____(pages)
LNS _____ Phoned to confirm receipt of all pages at _____(time) ____MD ____JMR (initials)

forms\advins.doc

DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER ADOPTING RESOLUTION SETTING FUTURE WATER, WASTEWATER, AND SOLID WASTE RATE SCHEDULES PURSUANT TO PROPOSITION 218 FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS

On Thursday, March 6, 2014, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider adopting resolution setting future water, wastewater, and solid waste rate schedules pursuant to Proposition 218 for residential, commercial, and industrial customers (attached and marked as Exhibit A) was posted at the following locations:

Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 6, 2014, at Lodi, California.

ORDERED BY:

RANDI JOHL-OLSON
CITY CLERK

Jennifer M. Robison

JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK

N:\Administration\CLERK\Forms\DECPOSTPW.DOC

EXHIBIT A

Proposition 218 Notification and Protest Hearing Process

Summary:
The Lodi City Council will consider proposed future water, wastewater and contracted solid waste rate increases at a public hearing at 7:00 p.m., Wednesday, May 7, 2014, at the Carnegie Forum, 305 West Pine Street, Lodi. A majority protest would stop the proposed future increases. If you wish to protest the proposed increases written protests may be made in person at the hearing or delivered to:

City of Lodi
Attention: City Clerk
221 West Pine Street
Post Office Box 3006
Lodi, California 95241-1910

If you already filed a protest prior to the continuance of the December 18, 2013 hearing on this Notice, your prior protest will be counted.

Explanation of Protest Process
Proposition 218 requires that the City provide a notice of the proposed future rate schedule to all property owners forty-five (45) days prior to holding a public hearing. If a majority of the property owners or renters who pay the utility bill file oppositions to the increase, the increase will not take effect. A protest must contain a description of the property owned sufficient to identify the property. The address or assessor's parcel number is shown on this mailing.

If the name on the written protest is not shown on the last equalized assessment roll of San Joaquin County as the owner of the property or on the utility account, the signer of the protest must also submit written evidence of ownership or rentership and utility bill responsibility.

At the public hearing, Council shall hear all protests and tabulate the ballots. One written protest per parcel, filed by the owner or tenant (paying the utility bill) of the parcel shall be counted in calculating a majority protest to a proposed new fee or charge subject to the requirements of Section 6 of Article XIII D of the California Constitution. If the votes conflict, the City will count the no vote.

Explanation of Proposed Future Increases:
City Staff is requesting that the City Council pre-authorize inflationary based adjustments in an amount up to the lesser of three percent (3%) or the actual amount of inflation for the next five years to pay for anticipated inflationary based cost increases. Water rates will be increased by up to their applicable index each January 1, from 2015 through 2019 and wastewater rates each July 1, from 2014 through 2019.

In addition staff is requesting that Council make a small adjustment to rates to more equitably distribute costs among its various classes of rate payers. Currently, metered single family residential customers pay for water on a tiered system. The more a customer uses, the more they pay per gallon. However, multi-family (condominiums/duplexes), commercial and industrial customers pay for all their water at the first tier rate. This rate restructuring would effectively

lower costs for single family metered customers and increase rates for multi-family, commercial and industrial customers to achieve better equity between these customer classes. Net rate revenues will remain unchanged.

The City of Lodi proposes to increase all water and wastewater rates by an amount up to the percentage increase in the annual average of the Engineering News Record (20 cities average) Index ("ENR"), as of September 30 (water) and March 31 (wastewater) of each year from 2014 through 2018. The City of Lodi also proposes to increase contracted solid waste charges by the annual change in the Consumer Price Index for All Urban Consumers for San Francisco-San Jose California Area All Items (1982-84=100) published by the Bureau of Labor Statistics ("CPI") as of December 31 of each year from December 31, 2014 through December 31, 2018. The water and wastewater increases shall not exceed three percent (3%) per year. The ENR and CPI based increases will be implemented as needed to pay for inflation-based increased costs of providing water, wastewater and contracted solid waste services.

The City also proposes to institute new rates for installation of meters over ¾ of an inch as set forth in the attached rate table entitled Exhibit A Meter Charge Schedule; establish a new vacant unit rate as set forth in the attached rate table entitled Exhibit B Vacant Unit Rate; approve new flat rate water and wastewater rates as set forth in the attached rate tables entitled Exhibit C Current and Proposed Flat Water Rates and Flat Wastewater Rates; and restructure rates for single-family residential, multi-family and non residential as further described in the attached rate table entitled Exhibit D Current and Proposed Usage Based Water Rates and Usage Based Wastewater Rates. The current commercial compactor rates for solid waste are shown in Exhibit E and will be adjusted for CPI changes as provided in the next paragraph. The rate restructuring, vacant unit rate and meter installation rate for meters exceeding ¾ inch will take place on May 8, 2014.

Basis of Proposed Rate Calculation

The new ENR and CPI based rates will be calculated by increasing the then existing rate in each of five years starting in 2014 by the prior year's increase in the ENR or CPI but not to exceed 3 percent for water and wastewater. Staff's recommended rate for the meter installation over ¾ of an inch is calculated as the City's actual contracted cost to purchase the meter plus 55 percent to cover a portion of the installation cost and is presented in column 2 of the Exhibit A Meter Charge Schedule. The vacant rate is calculated as the monthly base charge for water or wastewater. The rate restructuring is calculated by increasing the single tier for multi-family and non-residential by the weighted average of the multiple tier rate and decreasing all of the single-family rates by the exact amount of the revenue that the increase to multi-family and non-residential is projected to generate.

Conclusion:

If you have any questions about this notice, please call the Public Works Department at (209) 333-6706 between 7:30 a.m. and 5:30 p.m., Monday through Thursday, and between 8:00 a.m. and 5:00 p.m. on Friday. City Hall is closed every other Friday.

RANDI JOHL-OLSON, City Clerk
City of Lodi

Notificación de Proposición 218 y proceso de audiencia de protesta

Resumen:
El Consejo de la ciudad de Lodi considerará los incrementos propuestos en las tarifas de agua, aguas residuales y desechos sólidos contratados en una audiencia pública a las 7 PM, el miércoles 7 de mayo de 2014, en el Carnegie Forum, en el 305 West Pine Street, Lodi. Una protesta mayoritaria detendrán los incrementos futuros propuestos. Si desea protestar por los incrementos se pueden hacer protestas por escrito en persona en la audiencia o las puede entregar en:

Ciudad de Lodi
Atención: City Clerk
221 West Pine Street
Post Office Box 3006
Lodi, California 95241-1910

Si ya presentó una protesta antes del aplazamiento de la audiencia del 18 de diciembre de 2013 por esta Notificación, su protesta anterior será contada.

Explicación del proceso de protesta
La Proposición 218 requiere que la Ciudad proporcione una notificación del programa de tarifas futuras propuestas a todos los dueños de propiedad cuarenta y cinco (45) días antes de llevar a cabo la audiencia pública. Si la mayoría de los dueños de propiedad o renteros que pagan el recibo de servicios presentan oposiciones por el incremento, éste no entrará en vigor. Una protesta debe contener una descripción de la propiedad suficiente para identificar la misma. La dirección o número de parcela del valuador se muestra en este correo.

Si no se muestra el nombre en la protesta por escrito en la última lista de tasación ajustada del Condado de San Joaquín como dueño de la propiedad o en la cuenta de servicios, el firmante de la propuesta también debe presentar evidencia por escrito de dicha propiedad o arrendamiento y su responsabilidad por el recibo de servicios.

En la audiencia pública, el Consejo deberá escuchar todas las propuestas y tabular los votos. Se deberá contar una protesta por escrito por parcela, presentada por el propietario o inquilino (pagando el recibo de servicios) de la parcela para el cálculo de una protesta mayoritaria por un cargo o tarifa nueva propuesta sujeto a los requerimientos de la Sección 6 del Artículo XIII D de la Constitución de California. Si hay conflicto en los votos, la Ciudad lo contará sin voto.

Explicación de los incrementos futuros propuestos:
El personal de la Ciudad está solicitando que el Consejo de la ciudad pre-autorice los ajustes basados en la inflación por una cantidad que sea la menor de tres por ciento (3%) o la cantidad real de la inflación por los siguientes cinco años para pagar los incrementos de costos anticipados basados en la inflación. Las tarifas de agua se incrementarán hasta su índice aplicable cada 1 de enero, de 2015 a 2019 y las tarifas por aguas residuales cada 1 de julio, de 2014 al 2019.

Además, el personal solicita que el Consejo haga pequeños ajustes a las tarifas para distribuir los costos más equitativamente entre sus diversas clases de pagadores de tarifa. Actualmente, los clientes residenciales unifamiliares con medidor pagan por agua con un sistema de niveles. Entre más usa un cliente, más paga por galón. Sin embargo, los clientes de multifamiliares (condominios/dúplex), comerciales e industriales pagan por toda su agua con tarifa de primer nivel. Esta reestructuración de tarifas disminuirá efectivamente los costos para los clientes unifamiliares con medidor e incrementará las tarifas para clientes multifamiliares, comerciales e

industriales para lograr una mayor equidad entre las clases de clientes. Los ingresos netos por tarifas permanecerán sin cambio.

La Ciudad de Lodi propone incrementar todas las tarifas de agua y aguas residuales por una cantidad de hasta el porcentaje de incremento en el promedio anual del Índice del Engineering New Record ("ENR") (promedio de 20 ciudades), al 30 de septiembre (agua) y 31 de marzo (aguas residuales) para cada año del 2014 al 2018. La Ciudad de Lodi también propone incrementar los cargos por desechos sólidos contratados por el cambio anual en el Índice de precios al consumidor para todos los consumidores urbanos del área de San Francisco-San José California, todos los conceptos (1982-84=100) publicados por la Oficina de Estadísticas Laborales ("IPC") al 31 de diciembre de cada año del 31 de diciembre de 2014 al 31 de diciembre de 2018. Los incrementos en agua y aguas residuales no excederá del tres por ciento (3%) por año. Los incrementos basados en ENR e IPC serán implementados según sea necesario para pagar los costos incrementados basados en la inflación para proporcionar servicios de agua, aguas residuales y desechos sólidos contraídos.

La Ciudad también propone instituir nuevas tarifas para la instalación de medidores de más de ¾ de pulgada como se establece en la tabla de tarifas adjunta titulada como Anexo A Programa de cargos por medidor; establecer una nueva tarifa de unidad vacante como se establece en la tabla de tarifas adjunta titulada como Anexo B Tarifa de unidad vacante; aprobar una nueva tarifa fija para agua y aguas residuales como se establece en las tablas de tarifas adjuntas tituladas Anexo C Tarifas de agua fijas y tarifas de aguas residuales fijas actuales y propuestas; y tarifas de reestructuración para unifamiliares residenciales, multifamiliares y no residenciales como se describe en la tabla de tarifas adjunta titulada Anexo D Tarifas de agua y tarifas de aguas residuales basadas en uso actuales y propuestas. Las tarifas de compactador comercial actuales se muestran en el Anexo E y se ajustarán según los campos en el IPC como se indica en el siguiente párrafo. La tarifa de reestructuración, la tarifa de unidad vacante y la tarifa de instalación de medidor para medidores que exceden ¾ de pulgada se aplicarán el 8 de mayo de 2014.

Bases para el cálculo de la tarifa propuesta
Las nuevas tarifas basadas en el ENR y el IPC serán calculadas al incrementar la tarifa entonces existente en cada uno de los cinco años a partir de 2014 por el incremento del año anterior en el ENR o el IPC sin exceder el 3 por ciento para agua y aguas residuales. La tarifa recomendada por el personal para la instalación de medidor de más de ¾ de pulgada se calcula según el costo contratado actual de la Ciudad para comprar el medidor más 55 por ciento para cubrir una porción de la instalación y se presenta en la columna 2 del Anexo A Programa de cargos por medidor. La tarifa de vacantes se calcula en un cargo mensual por agua y aguas residuales. La tarifa de reestructuración se calcula al incrementar el nivel único para multifamiliar y no residencial según el promedio ponderado de tarifas de múltiple nivel y disminuyendo todas las tarifas de unifamiliares por la cantidad exacta de ingresos que el incremento en multifamiliares y no residenciales se proyecta que genere.

Conclusión:
Si tiene alguna pregunta sobre esta notificación, llamar al Departamento de Obras Públicas al (209) 333-6706 entre 7:30 AM y 5:30 PM, de lunes a jueves y entre las 8:00 AM y las 5:00 PM los viernes. El Ayuntamiento cierra cada dos viernes.

RANDI JOHL-OLSON, Secretario del ayuntamiento
Ciudad de Lodi

CITY COUNCIL
PHIL KATZAKIAN, Mayor
LARRY D. HANSEN,
Mayor Pro Tempore
BOB JOHNSON
JOANNE L. MOUNCE
ALAN NAKANISHI

CITY OF LODI

PUBLIC WORKS DEPARTMENT
CITY HALL, 221 WEST PINE STREET / P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
TELEPHONE (209) 333-6706 / FAX (209) 333-6710
EMAIL pwdept@lodi.gov
http://www.lodi.gov

KONRADT BARTLAM,
City Manager

RANDI JOHL-OLSON,
City Clerk

D. STEPHEN SCHWABAUER,
City Attorney

F. WALLY SANDELIN,
Public Works Director

February 1, 2014

SUBJECT: Proposed Schedule of Utility Rate Increases

This letter to our utility customers addresses some commonly questioned aspects of the Proposition 218 process relative to forecasted utility rate increases. One, the City's Proposition 218 notices will not result in any increase in utility rates. The Proposition 218 notice is a notice of proposed rate schedules and does not constitute a utility rate increase. It the case of water and wastewater rates, it sets a maximum limit of 3% for future rate increases, even if the inflationary index exceeds 3%. In the case of refuse rates, it sets a maximum limit equal to the change in the Consumer Price Index (CPI).

Two, the City has acted transparently by regularly presenting at numerous public meetings the financial models for the water and wastewater utilities that contain specific information on the forecasted increases in costs for personnel, utilities, materials, supplies, and debt service and lists specific system improvement projects. As recently as October 15, 2013, this information was presented at the Shirtsleeve meeting and is available online at the City Council Agendas and Minutes site.

Three, the financial models present the best information available that support the notion of continued modest increases in rates. Again, the Council will not be voting on April 16 to increase rates by 3% for each of the next five years. Each year, actual numbers from the prior year and budget numbers for the next year provide the facts to Council so a decision can be made as to whether there should be no rate increase or a modest increase.

Four, the objective of the proposed rate schedules is to make it possible to offset inflationary increases in water and wastewater operating costs should that become necessary. The rate changes are not intended to fund capital projects. In the past, maximum permitted rate increases have not been implemented and, in fact, the average annual water rate increase has been 1.2% over the past six years.

Five, the proposed rate schedules will not be used to pay for infrastructure required to serve the demands presented by new development. The development impact fee program requires new development to reimburse the City for past and future investments in water, wastewater, streets, police, fire and other infrastructure. In fact, if new development exceeds that forecasted in the financial models, this could partially offset recommended inflationary increases.

Lastly, significant system improvements are planned that will, in the long term, significantly reduce expensive maintenance costs and evenly spread utility costs (rates) amongst our customers. These system improvements include the water and wastewater replacement program, water meter installation program, old water meter retrofit program, and system-wide well maintenance. And there are administration costs to run the utilities with much of those costs related to meeting State requirements for the operation of the wastewater treatment plant and the recently-completed water treatment plant.

Sincerely,

F. Wally Sandelin
Public Works Director

FWS/pmf

CITY COUNCIL
PHIL KATZAKIAN, Mayor
LARRY D. HANSEN,
Mayor Pro Tempore
BOB JOHNSON
JOANNE L. MOUNCE
ALAN NAKANISHI

CITY OF LODI

PUBLIC WORKS DEPARTMENT
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City Clerk

D. STEPHEN SCHWABAUER,
City Attorney

F. WALLY SANDELIN,
Public Works Director

1 de febrero de 2014

TEMA: Programa propuesto para incrementos en tarifas de servicios

Esta carta para nuestros clientes de servicios trata algunos de los aspectos comúnmente cuestionados sobre el proceso de la Proposición 218 relativo a la predicción de incrementos en las tarifas de servicios. Uno, las notificaciones de la Proposición 218 de la ciudad no resultarán en ningún incremento de las tarifas de servicios. La notificación de la Proposición 218 es una notificación sobre el programa de tarifas propuesta y no constituye un incremento en las tarifas de servicios. En el caso de las tarifas por agua y aguas residuales, se tiene establecido un límite máximo de 3% para futuros incrementos en tarifas, incluso si el índice inflacionario excede el 3%. En el caso de tarifas de rechazo, se establece un límite máximo igual al cambio en el Índice de precios al consumidor (IPC).

Dos, la Ciudad ha actuado de manera transparente al presentar regularmente en numerosas reuniones públicas los modelos financieros de los servicios de agua y aguas residuales los cuales contienen información específica sobe los incrementos pronosticados en cuanto a los costos de personal, servicios, materiales, suministros y servicios de deuda y enumera proyectos específicos de mejora en el sistema. Tan reciente como el 15 de octubre de 2013, esta información fue presentada en la reunión de Shirtsleeve y también está disponible en línea en el sitio de Agenda y minutas del consejo municipal.

Tres, los modelos financieros presentan la mejor información disponible que apoya la noción de incrementos modestos continuos en las tarifas. De nuevo, el Consejo no votará el 16 de abril para el incremento de las tarifas en un 3% para cada uno de los siguientes cinco años. Cada año, los números reales del año anterior y los números del presupuesto para el siguiente año proporcionan los hechos para el Consejo de manera que se pueda tomar una decisión respecto a si no debe haber incremento en las tarifas o si debe haber un incremento modesto.

El objetivo del programa de tarifas propuesto es el de poder compensar los incrementos inflacionarios en los costos de operación del agua y aguas residuales de ser estos necesarios. Los cambios en las tarifas no tienen el propósito de generar fondos para proyectos de inversión. En el pasado, los incrementos máximos permitidos a las tarifas no fueron implementado y, de hecho, la tarifa promedio anual por agua ha incrementado 1.2$ durante los últimos seis años.

Cinco, el programa de tarifas propuesto no será usado para pagar por la infraestructura requerida para dar servicio a la demanda requerida por el nuevo desarrollo. El programa de cuota de impacto del desarrollo requiere que el nuevo desarrollo reembolse a la Ciudad las inversión es pasadas y futuras en agua, aguas residuales, calles, policía, incendio y demás infraestructuras. De hecho, si el nuevo desarrollo excede dicho pronóstico en los modelos financieros, esto podría compensar parcialmente los incrementos inflacionarios recomendados.

Por último, se planean significativas mejoras en el sistema que, a largo plazo, reducirán significativamente los caros costos de mantenimiento y distribuirán de manera equitativa los costos (tarifas) por servicios entre nuestros clientes. Estas mejoras en el sistema incluyen programa de reemplazo de agua y aguas residuales, programa de instalación de medidores de agua, programa de reacondicionamiento de medidores antiguos de agua y mantenimiento de todo el sistema. Y hay costos administrativos para hacer funcionar los servicios con muchos de esos costos relacionados a cumplir con los requerimientos estatales por operación de la planta de tratamiento de aguas residuales y la planta de tratamiento de agua recientemente terminada.

Cordialmente,

F. Wally Sandelin
Director de obras públicas

FWS/pmf

Exhibit A

Meter Charge Schedule

Meter Size	Recommended Price Based (Cost x 1.55)	Capacity Based	Installed Cost (Contractor Prices)	Lodi Fee Schedule	Santa Clara Fee Schedule	No Charge
¾	$300	$300	$940	$400	$370	$0
1	$350	$500	$1,420	$480	$365	$0
1 ½	$780	$1,000	$3,810	$745	$1,565	$0
2	$970	$1,600	$5,720	$930	$1,730	$0
3	$1,980	$3,000	$5,950	N/A	$2,065	$0
4	$3,570	$5,000	N/A	N/A	$4,130	$0
6	$6,760	$10,000	N/A	N/A	$6,750	$0
8	$11,520	$16,000	N/A	N/A	$10,670	$0

Exhibit B

Vacant Unit Rate

- Flat rate residential customers – monthly service charge for a ¾ inch meter
- Metered residential customers – no vacant utility rate
- Master metered multi-family – no vacant utility rate
- Metered multi-family unit – no vacant utility rate
- Monthly service charge will reduce with conservation pricing

Anexo A

Programa de cobro de medidor

Tamaño de medidor	Precio base recomendado (Costo x 1.55)	Capacidad basada	Costo instalado (Precios de contratista)	Programa de tarifas de Lodi	Programa de tarifas de Santa Clara	Sin cargo
¾	$300	$300	$940	$400	$370	$0
1	$350	$500	$1,420	$480	$365	$0
1 ½	$780	$1,000	$3,810	$745	$1,565	$0
2	$970	$1,600	$5,720	$930	$1,730	$0
3	$1,980	$3,000	$5,950	N/A	$2,065	$0
4	$3,570	$5,000	N/A	N/A	$4,130	$0
6	$6,760	$10,000	N/A	N/A	$6,750	$0
8	$11,520	$16,000	N/A	N/A	$10,670	$0

Anexo B

Tarifa de unidad vacante

- Tarifa fija clientes residenciales – cargo mensual por servicio por un medidor de ¾ de pulgada
- Clientes residenciales con medidor – sin tarifa de servicio vacante
- Multifamiliar con medidor principal – sin tarifa de servicio vacante
- Unidad multifamiliar con medidor – sin tarifa de servicio vacante
- El cargo mensual de servicio se reducirá con precios de conservación

Exhibit C
City of Lodi
Current and Proposed Flat Water Rates

	Current (Jan. 2013)	Proposed (Jan. 2014)	Future Rate Ceiling: Proposed (Jan. 2015)	Proposed (Jan. 2016)	Proposed (Jan. 2017)	Proposed (Jan. 2018)	Proposed (Jan. 2019)
Rate Increase -->		2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
FLAT RATES							
Single Family Residential							
1 Bedroom	$ 29.90	$ 30.65	$ 31.57	$ 32.52	$ 33.50	$ 34.51	$ 35.55
2 Bedroom	$ 35.91	$ 36.81	$ 37.91	$ 39.05	$ 40.22	$ 41.43	$ 42.67
3 Bedroom	$ 43.04	$ 44.12	$ 45.44	$ 46.80	$ 48.20	$ 49.65	$ 51.14
4 Bedroom	$ 51.72	$ 53.01	$ 54.60	$ 56.24	$ 57.93	$ 59.67	$ 61.46
5 Bedroom	$ 62.03	$ 63.58	$ 65.49	$ 67.45	$ 69.47	$ 71.55	$ 73.70
6 Bedroom	$ 74.44	$ 76.30	$ 78.59	$ 80.95	$ 83.38	$ 85.88	$ 88.46
Multi-Family (1)							
1 Bedroom	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
2 Bedroom	$ 30.79	$ 31.56	$ 32.51	$ 33.49	$ 34.49	$ 35.52	$ 36.59
3 Bedroom	$ 36.94	$ 37.86	$ 39.00	$ 40.17	$ 41.38	$ 42.62	$ 43.90
4 Bedroom	$ 44.32	$ 45.43	$ 46.79	$ 48.19	$ 49.64	$ 51.13	$ 52.66
Mobile Homes							
Any Size	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
Non-Residential							
Existing unmetered	Varies	+2.5%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%

Notes:
(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, and condominiums.

Anexo C
Ciudad de Lodi
Tarifas de agua fijas actuales y propuestas

	Actual (Ene. 2013)	Propuesta (Ene. 2014)	Tarifa futura máxima: Propuesta (Ene. 2015)	Propuesta (Ene. 2016)	Propuesta (Ene. 2017)	Propuesta (Ene. 2018)	Propuesta (Ene. 2019)
Incremento de tarifa -->		2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
TARIFAS FIJAS							
Residencial unifamiliar							
1 recámara	$ 29.90	$ 30.65	$ 31.57	$ 32.52	$ 33.50	$ 34.51	$ 35.55
2 recámaras	$ 35.91	$ 36.81	$ 37.91	$ 39.05	$ 40.22	$ 41.43	$ 42.67
3 recámaras	$ 43.04	$ 44.12	$ 45.44	$ 46.80	$ 48.20	$ 49.65	$ 51.14
4 recámaras	$ 51.72	$ 53.01	$ 54.60	$ 56.24	$ 57.93	$ 59.67	$ 61.46
5 recámaras	$ 62.03	$ 63.58	$ 65.49	$ 67.45	$ 69.47	$ 71.55	$ 73.70
6 recámaras	$ 74.44	$ 76.30	$ 78.59	$ 80.95	$ 83.38	$ 85.88	$ 88.46
Multifamiliar (1)							
1 recámara	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
2 recámaras	$ 30.79	$ 31.56	$ 32.51	$ 33.49	$ 34.49	$ 35.52	$ 36.59
3 recámaras	$ 36.94	$ 37.86	$ 39.00	$ 40.17	$ 41.38	$ 42.62	$ 43.90
4 recámaras	$ 44.32	$ 45.43	$ 46.79	$ 48.19	$ 49.64	$ 51.13	$ 52.66
Casas móviles							
Cualquier tamanño	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
No residencial							
Existentes sin medido	Varía	+2.5%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%

Notas:
(1) Multifamiliar incluye duplex, tres y catro juntas, departamentos y condominios.

Exhibit C
City of Lodi
Current and Proposed Flat Wastewater Rates

	Current (Jul. 2013)	Future Rate Ceiling: Proposed (Jul. 2014)	Proposed (Jul. 2015)	Proposed (Jul. 2016)	Proposed (Jul. 2017)	Proposed (Jul. 2018)
Rate Increase -->		3.0%	3.0%	3.0%	3.0%	3.0%
FLAT RATES						
Single Family Residential						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
5 Bedroom	$ 60.27	$ 62.08	$ 63.94	$ 65.86	$ 67.84	$ 69.88
6 Bedroom	$ 68.88	$ 70.95	$ 73.08	$ 75.27	$ 77.53	$ 79.86
7 Bedroom	$ 77.49	$ 79.81	$ 82.20	$ 84.67	$ 87.21	$ 89.83
Duplexes, Triplexes, Fourplexes, Apartments, and Condominiums						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
Mobile Homes						
Any Size	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
Non-Residential (1)						
Per SSU	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92

Notes:
(1) Proposed flat wastewater rates for schools are to be determined on the basis of 18 student per SSU.

Anexo C
Ciudad de Lodi
Tarifas de agua residuales fijas actuales y propuestas

	Actual (Ene. 2013)	Tarifa futura máxima: Propuesta (Ene. 2014)	Propuesta (Ene. 2015)	Propuesta (Ene. 2016)	Propuesta (Ene. 2017)	Propuesta (Ene. 2018)
Incremento de tarifa -->		3.0%	3.0%	3.0%	3.0%	3.0%
TARIFAS FIJAS						
Residencial unifamiliar						
1 recámara	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 recámaras	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 recámaras	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 recámaras	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
5 recámaras	$ 60.27	$ 62.08	$ 63.94	$ 65.86	$ 67.84	$ 69.88
6 recámaras	$ 68.88	$ 70.95	$ 73.08	$ 75.27	$ 77.53	$ 79.86
7 recámaras	$ 77.49	$ 79.81	$ 82.20	$ 84.67	$ 87.21	$ 89.83
duplex, tres y catro juntas, departamentos y condominios						
1 recámara	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 recámaras	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 recámaras	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 recámaras	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
Casas móviles						
Cualquier tamaño	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
No residencial (1)						
Por SSU	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92

Notas:
(1) Las tarifas fijas por aguas residuales propuestas para escuelas serán determinadas basandose en 18 estudiantes por SSU.

Exhibit D
City of Lodi
Current and Proposed Usage-Based Water Rates

	Current (Jan. 2013)	Proposed (Jan. 2014)	Proposed (Jan. 2014)	Future Rate Ceiling: Proposed (Jan. 2015)	Proposed (Jan. 2016)	Proposed (Jan. 2017)	Proposed (Jan. 2018)	Proposed (Jan. 2019)
Rate Increase -->		2.5% (2)	(3)	3.0% (4)	3.0% (4)	3.0%	3.0%	3.0%
USAGE-BASED RATES								
Monthly Service Charge								
Single Family								
Up to 3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 75.42	$ 77.31	$ 72.45	$ 69.63	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 119.79	$ 122.78	$ 114.71	$ 109.84	$ 101.52	$ 104.57	$ 107.71	$ 110.94
Multi-Family and Non-Residential (1)								
Up to 3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 60.24	$ 61.75	$ 62.08	$ 64.28	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 75.27	$ 77.15	$ 84.29	$ 94.17	$ 101.52	$ 104.57	$ 107.71	$ 110.94
3" meter	$ 105.38	$ 108.01	$ 132.74	$ 162.18	$ 187.65	$ 193.28	$ 199.08	$ 205.05
4" meter	$ 135.51	$ 138.90	$ 193.14	$ 254.80	$ 310.67	$ 319.99	$ 329.59	$ 339.48
6" meter	$ 195.68	$ 200.57	$ 333.69	$ 480.82	$ 617.94	$ 636.48	$ 655.57	$ 675.24
8" meter	$ 255.91	$ 262.31	$ 494.23	$ 747.94	$ 986.82	$ 1,016.42	$ 1,046.91	$ 1,078.32
10" meter	$ 316.01	$ 323.91	$ 674.61	$ 1,056.08	$ 1,417.30	$ 1,459.82	$ 1,503.61	$ 1,548.72
Usage Rates ($/CCF)								
Single Family								
Tier 1 (0-10 CCF)	$ 0.92	$ 0.94	$ 0.94	$ 0.97	$ 0.96	$ 0.99	$ 1.02	$ 1.05
Tier 2 (11-50 CCF)	$ 1.38	$ 1.41	$ 1.35	$ 1.33	$ 1.27	$ 1.31	$ 1.35	$ 1.39
Tier 3 (>50 CCF)	$ 1.82	$ 1.87	$ 1.76	$ 1.70	$ 1.59	$ 1.64	$ 1.69	$ 1.74
Multi-Family and Non-Residential (1)								
All water usage	$ 0.92	$ 0.94	$ 1.00	$ 1.09	$ 1.14	$ 1.17	$ 1.21	$ 1.25

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) This schedule includes the proposed indexing of 2.5 percent, with no rate structure changes.
(3) This rate schedule is revenue neutral relative to the proposed newly indexed January 2014 water rates, but includes the beginning of the proposed 3-year phased changes to the rate structure.
(4) These rate schedules reflect the second and third year of the 3-year rate structure phasing, as well as the maximum potential rate adjustment due to ENR indexing.

Anexo D
Ciudad de Lodi
Tarifas de agua basadas en utilización actuales y propuestas

	Actual (Ene. 2013)	Propuesta (Ene. 2014)	Propuesta (Ene. 2014)	Tarifa futura máxima: Propuesta (Ene. 2015)	Propuesta (Ene. 2016)	Propuesta (Ene. 2017)	Propuesta (Ene. 2018)	Propuesta (Ene. 2019)
Incremento de tarifa -->		2.5% (2)	(3)	3.0% (4)	3.0% (4)	3.0%	3.0%	3.0%
TARIFAS BASADAS EN UTILIZACIÓN								
Cargo mensual por servicio								
Unifamiliar								
Medidor hasta 3/4"	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
Medidor de 1"	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34,01	$ 35.03	$ 36.08	$ 37.16
Medidor de 1 1/2"	$ 75.42	$ 77.31	$ 72.45	$ 69.63	$ 64.62	$ 66.56	$ 68.56	$ 70.62
Medidor de 2"	$ 119.79	$ 122.78	$ 114.71	$ 109.84	$ 101.52	$ 104.57	$ 107.71	$ 110.94
Multifamiliar y no residencial (1)								
Medidor hasta 3/4"	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
Medidor de 1"	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
Medidor de 1 1/2"	$ 60.24	$ 61.75	$ 62.08	$ 64.28	$ 64.62	$ 66.56	$ 68.56	$ 70.62
Medidor de 2"	$ 75.27	$ 77.15	$ 84.29	$ 94.17	$ 101.52	$ 104.57	$ 107.71	$ 110.94
Medidor de 3"	$ 105.38	$ 108.01	$ 132.74	$ 162.18	$ 187.65	$ 193.28	$ 199.08	$ 205.05
Medidor de 4"	$ 135.51	$ 138.90	$ 193.14	$ 254.80	$ 310.67	$ 319.99	$ 329.59	$ 339.48
Medidor de 6"	$ 195.68	$ 200.57	$ 333.69	$ 480.82	$ 617.94	$ 636.48	$ 655.57	$ 675.24
Medidor de 8"	$ 255.91	$ 262.31	$ 494.23	$ 747.94	$ 986.82	$ 1,016.42	$ 1,046.91	$ 1,078.32
Medidor de 10"	$ 316.01	$ 323.91	$ 674.61	$ 1,056.08	$ 1,417.30	$ 1,459.82	$ 1,503.61	$ 1,548.72
Tarifas de utilización ($/CCF)								
Unifamiliar								
Nivel 1 (0-10 CCF)	$ 0.92	$ 0.94	$ 0.94	$ 0.97	$ 0.96	$ 0.99	$ 1.02	$ 1.05
Nivel 2 (11-50 CCF	$ 1.38	$ 1.41	$ 1.35	$ 1.33	$ 1.27	$ 1.31	$ 1.35	$ 1.39
Nivel 3 (>50 CCF)	$ 1.82	$ 1.87	$ 1.76	$ 1.70	$ 1.59	$ 1.64	$ 1.69	$ 1.74
Multifamiliar y no residencial (1)								
Todo uso de agua	$ 0.92	$ 0.94	$ 1.00	$ 1.09	$ 1.14	$ 1.17	$ 1.21	$ 1.25

Notas:

(1) Multifamiliar incluye duplex, tres y catro juntas, departamentos, condominios y parques para casas móviles.
(2) Este programa incluye la indexación propuesta del 2.5 por ciento, sin cambios en la estructura de tarifas.
(3) Este programa de tarifas es neutral en cuanto a ingresos erlativo a las tarifas por agua de enero de 2014 recien indexadas propuestas, pero incluyen el inicio de los cambios a 3 años propuestos para la estructura de tarifas.
(4) Estos programas de tarifas reflejan el segundo y tercer año de una adopción de estructura de tarifas a 3 años, así como el ajuste máximo a la tarifa potencial debido al indexado ENR.

Exhibit D
City of Lodi
Current and Proposed Usage-Based Wastewater Rates

	Current (Jul. 2013)	Future Rate Ceiling: Proposed (Jul. 2014)	Proposed (Jul. 2015)	Proposed (Jul. 2016)	Proposed (Jul. 2017)	Proposed (Jul. 2018)
Rate Increase -->		3.0%	3.0%	3.0%	3.0%	3.0%
USAGE-BASED RATES						
Monthly Service Charge						
Single Family (per DU)	$ 23.52	$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
Multi-Family and Non-Residential (1)						
Up to 3/4" meter		$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
1" meter		$ 38.83	$ 39.99	$ 41.19	$ 42.43	$ 43.70
1 1/2" meter		$ 75.03	$ 77.28	$ 79.60	$ 81.99	$ 84.45
2" meter		$ 118.63	$ 122.19	$ 125.86	$ 129.64	$ 133.53
3" meter		$ 220.45	$ 227.06	$ 233.87	$ 240.89	$ 248.12
4" meter		$ 365.88	$ 376.86	$ 388.17	$ 399.82	$ 411.81
6" meter		$ 729.12	$ 750.99	$ 773.52	$ 796.73	$ 820.63
8" meter		$ 1,165.18	$ 1,200.14	$ 1,236.14	$ 1,273.22	$ 1,311.42
Usage Rates ($/CCF)						
Single Family (2)	$ 2.68	$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Multi-Family (2)		$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Non-Residential (2) (3)						
Low Strength		*$ 2.76*	*$ 2.84*	*$ 2.93*	*$ 3.02*	*$ 3.11*
Medium Strength		*$ 3.45*	*$ 3.55*	*$ 3.66*	*$ 3.77*	*$ 3.88*
High Strength		*$ 4.49*	*$ 4.62*	*$ 4.76*	*$ 4.90*	*$ 5.05*
Industrial (4)						
Flow (per MG annually)	$ 3,487.41	$ 3,592.03	$ 3,699.79	$ 3,810.78	$ 3,925.10	$ 4,042.85
BOD (per 1,000 lbs annuall	$ 575.51	$ 592.78	$ 610.56	$ 628.88	$ 647.75	$ 667.18
SS (per 1,000 lbs annually)	$ 359.85	$ 370.65	$ 381.77	$ 393.22	$ 405.02	$ 417.17

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) Usage charge based on winter water use determined as the average from the prior December-February period. Adjusted each July for each account.
(3) Placeholder. These rates not yet in use.
(4) Applies to industrial users discharging into the domestic sewer system.

Anexo D
Ciudad de Lodi
Tarifas de aguas residuales basadas en la utilización actuales y propuestas

	Actual (Ene. 2013)	Tarifa futura máxima: Propuesta (Ene. 2014)	Propuesta (Ene. 2015)	Propuesta (Ene. 2016)	Propuesta (Ene. 2017)	Propuesta (Ene. 2018)
Incremento de tarifa -->		3.0%	3.0%	3.0%	3.0%	3.0%
TARIFAS BASADAS EN UTILIZACIÓN						
Cargo mensual por servicio						
Unifamiliar (por DU)	$ 23.52	$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
Multifamiliar y no residencial (1)						
Medidor hasta 3/4"		$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
Medidor de 1"		$ 38.83	$ 39.99	$ 41.19	$ 42.43	$ 43.70
Medidor de 1 1/2"		$ 75.03	$ 77.28	$ 79.60	$ 81.99	$ 84.45
Medidor de 2"		$ 118.63	$ 122.19	$ 125.86	$ 129.64	$ 133.53
Medidor de 3"		$ 220.45	$ 227.06	$ 233.87	$ 240.89	$ 248.12
Medidor de 4"		$ 365.88	$ 376.86	$ 388.17	$ 399.82	$ 411.81
Medidor de 6"		$ 729.12	$ 750.99	$ 773.52	$ 796.73	$ 820.63
Medidor de 8"		$ 1,165.18	$ 1,200.14	$ 1,236.14	$ 1,273.22	$ 1,311.42
Tarifas de utilización ($/CCF)						
Unifamiliar (2)	$ 2.68	$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Multifamiliar (2)		$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
No residencial (2) (3)						
Alto		*$ 2.76*	*$ 2.84*	*$ 2.93*	*$ 3.02*	*$ 3.11*
Medio		*$ 3.45*	*$ 3.55*	*$ 3.66*	*$ 3.77*	*$ 3.88*
Bajo		*$ 4.49*	*$ 4.62*	*$ 4.76*	*$ 4.90*	*$ 5.05*
Industrial (4)						
Flujo (por MG anual)	$ 3,487.41	$ 3,592.03	$ 3,699.79	$ 3,810.78	$ 3,925.10	$ 4,042.85
BOD (por 1,000 lbs anual)	$ 575.51	$ 592.78	$ 610.56	$ 628.88	$ 647.75	$ 667.18
SS (por 1,000 lbs anual)	$ 359.85	$ 370.65	$ 381.77	$ 393.22	$ 405.02	$ 417.17

Notas:

(1) Multifamiliar incluye duplex, tres y catro juntas, departamentos, condominios y parques para casas móviles.
(2) El cargo de utilización se basa en el uso de agua en invierno determinado como un promedio del periodo de diciembre a febrero anterio Ajustado cada julio para cada cuenta.
(3) Separador. Estas tarifas aún no están en uso.
(4) Aplica a usuarios industriales descargando en sistemas de drenaje doméstico.

Exhibit E

2/18/2014

CITY OF LODI
COMMERCIAL COMPACTOR RATES
EFFECTIVE April 1, 2014 TO March 31, 2015

Commercial Compactor Rates					
Service	1X Week	2X Week	3X Week	4X Week	5X Week
2 Cubic Yard Compactor	$290.35	$580.70	$871.05	$1,161.40	$1,451.75
3 Cubic Yard Compactor	$358.76	$717.53	$1,076.29	$1,435.05	$1,793.81
4 Cubic Yard Compactor	$427.73	$855.45	$1,283.18	$1,710.90	$2,138.63

ANEXO E

CIUDAD DE LODI
TARIFAS DE COMPACTADOR COMERCIAL
EN VIGOR DEL 1 DE ABRIL DE 2014 AL 31 DE MARZO DE 2015

Servicio	1X por semana	2X por semana	3X por semana	4X por semana	5X por semana
Compactador de 2 yardas cúbicas	$290.35	$580.70	$871.05	$1,161.40	$1,451.75
Compactador de 3 yardas cúbicas	$358.76	$717.53	$1,076.29	$1,435.05	$1,793.81
Compactador de 4 yardas cúbicas	$427.73	$855.45	$1,283.18	$1,710.90	$2,138.63

CERTIFICATE OF MAILING

NOTICE OF RATE SETTING, PROPOSED RATE INCREASE & PUBLIC HEARING DATE

I, Pamela Farris, Administrative Secretary of the Public Works Department of the City of Lodi, under penalty of perjury, certify as follows:

That for and on behalf of the City Clerk of the City of Lodi, and on March 7, 2014, I caused to be mailed a *Notice of Rate Setting, Proposed Rate Increase & Public Hearing Date* to all water, wastewater and solid waste customers of the City of Lodi and all persons owning real property on which these rates and charges are imposed and as are shown on the last equalized assessment roll of San Joaquin County (mailing list on file in the office of the Public Works Department), a copy of which Notice is hereto attached and marked "Exhibit A".

Executed on March 10, 2014.

P. Farris

PAMELA FARRIS

Processed By: RPT on 03/07/14 07:13:24 PM

United States Postal Service

Postage Statement -- Standard Mail

Transaction Number:	CAPS Transaction Number:	Postage Statement Number:
201406621132436 M1	2014030721132500M1	182267983

Mailing Group

Mailing Group ID	Mailing Job Number	Open Date
131768900		03-07-2014
Preparer	**Origin**	**Close Date**
PRESORT CENTER	PSW - USPS Entered	03-07-2014
Job Description		

Mailer

Permit Holder's Name and Address and Email Address, if Any

PRESORT CENTER
3806 CORONADO AVE # A
STOCKTON, CA 95204-2314
Contact Name: ANGELA
(209)941-2467
customercare@pre-sort.com

CRID: 5172578

Name and Address of Mailing Agent *(If other than permit holder)*

PRESORT CENTER
3806 CORONADO AVE A
STOCKTON, CA 95204-2314

CRID: 5172578

Name and Address of Individual or Organization for Which Mailing is Prepared *(If other than permit holder)*

CITY OF LODI
125 S HUTCHINS ST
LODI, CA 95240-3469

CRID: 3780040

Mailing

Post Office of Mailing	Processing Category	Mailer's Mailing Date	Federal Agency Cost Code	Statement Seq. No.	No. & Type of Containers
STOCKTON CA 95213-9998	Flats	03/07/14		15084A	Sacks: 35 1 ft. Letter Trays: 0 2 ft. Letter Trays: 0 EMM Letter Trays: 0 Flat Trays: 221 Pallets: 0 Other: 0
Type of Postage		**SSF Transaction #**		**Total # of Pieces in Mailing**	
Permit Imprint		0		47,108	
		Weight of a Single Piece	**Combined Mailing**	**Total Weight**	
		0.0959 lbs.		47.1080 lbs.	

Permit #	For Mail Enclosed Within Another Class	For Mail Enclosed Within Another Class
269	[ ]Mailpiece is a product sample. ____ % Samples	[ ]Mailpiece is a product sample. ____ % Samples

For Automation Rate Pieces, Enter Date of Address Matching and Coding	For Carrier Route Pieces, Enter Date of Address Matching and Coding	For Carrier Route Pieces, Enter Date of Carrier Route Sequencing	For Pieces Bearing a Simplified Address Enter Date of Delivery Statistics File or Alternative Method
03/03/14	03/03/14	03/03/14	/ /

Move Update Method: NCOALink

This is a Political Mailing	This is Official Election Mail	[ ]Letter-size or flat mailpiece contains DVD/CD or other disc.
No	No	

Postage

Parts Completed **D, E, F**	
Subtotal Postage *(Add parts totals)*	$9,136.44
Complete if the mailing includes pieces bearing metered/PC Postage or precanceled stamps. Rate at Which Postage Affixed *(Check one)* [ ]Correct [ ]Lowest [ ]Neither ____ pcs. x $ ____.____ = **Postage Affixed**	$0.00
Incentive/Discount ____	$0.00
Fee ____	$0.00
Net Postage Due	$9,136.44
For USPS Use Only: Additonal Postage Payment *(State reason)*	
Total USPS Adjusted Postage	$9,136.44

Certification

Incentive/Discount Claimed: N/A Type of Fee: N/A

The mailer certifies acceptance of liability for and agreement to pay any revenue deficiencies assessed on this mailing, subject to appeal. If an agent certifies that he or she is authorized on behalf of the mailer then that mailer is bound by the certification and agrees to pay any deficiencies. In addition, agents may be liable for any deficiencies resulting from matters within their responsibility, knowledge, or control. The mailer hereby certifies that all information furnished on this form is accurate, truthful, and complete; that the mail and the supporting documentation comply with all postal standards and that the mailing qualifies for the prices and fees claimed; and that the mailing does not contain any matter prohibited by law or postal regulation. I understand that anyone who furnishes false or misleading information on this form or who omits information requested on this form may be subject to criminal and/or civil penalties, including fines and imprisonment.

This postage statement has verified and accepted under the PostalOne! program. No postal signature, rating, or stamping is required.

Privacy Notice: For information regarding our Privacy Policy visit www.usps.com

This postage statement was verified and accepted under the PostalOne! program. No postal signature or round stamp is required.

Part D

Automation Flats

Flats 3.3 oz (0.2063 lbs) or less

	Entry	Price Category	Price	No. of Pieces	Subtotal Postage	Discount Total*	Fee Total	Total Postage
D1	None	5-Digit	$0.386	409	$157.8740	$0.0000	$0.0000	$157.8740
D2	None	3-Digit	$0.472	1,109	$523.4480	$0.0000	$0.0000	$523.4480
D3	None	ADC	$0.524	234	$122.6160	$0.0000	$0.0000	$122.6160
D4	None	Mixed ADC	$0.553	207	$114.4710	$0.0000	$0.0000	$114.4710
D13	DSCF	5-Digit	$0.342	782	$267.4440	$0.0000	$0.0000	$267.4440
D14	DSCF	3-Digit	$0.428	536	$229.4080	$0.0000	$0.0000	$229.4080

D31	**Part D Total***(Add lines D1-D30)*	$1,415.26

* May contain both Full Service Intelligent Mail and other discounts.

Part E

Nonautomation Flats

Flats 3.3 oz (0.2063 lbs) or less

	Entry	Price Category	Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
E1	None	5-Digit	$0.429	8	$3.4320	$0.0000	$0.0000	$3.4320
E2	None	3-Digit	$0.497	11	$5.4670	$0.0000	$0.0000	$5.4670
E4	None	Mixed ADC	$0.602	43	$25.8860	$0.0000	$0.0000	$25.8860
E13	DSCF	5-Digit	$0.384	401	$153.9840	$0.0000	$0.0000	$153.9840
E14	DSCF	3-Digit	$0.452	39	$17.6280	$0.0000	$0.0000	$17.6280
E15	DSCF	ADC	$0.506	2	$1.0120	$0.0000	$0.0000	$1.0120

Part E Total *(Add lines E1 - E22)*	$207.41

Part F

Carrier Route Flats

Flats 3.3 oz (0.2063 lbs) or less

	Entry	Price Category	Price	No. of Pieces	Subtotal Postage	Discount Total**	Fee Total	Total Postage
F1	None	Saturation	$0.211	172	$36.2920	$0.0000	$0.0000	$36.2920
F3	None	High Density	$0.243	131	$31.8330	$0.0000	$0.0000	$31.8330
F4	None	Basic	$0.295	463	$136.5850	$0.0000	$0.0000	$136.5850
F15	DSCF	Saturation	$0.166	38,842	$6,447.7720	$0.0000	$0.0000	$6,447.7720
F16	DSCF	High Density Plus	$0.194	594	$115.2360	$0.0000	$0.0000	$115.2360
F17	DSCF	High Density	$0.199	737	$146.6630	$0.0000	$0.0000	$146.6630
F18	DSCF	Basic	$0.251	2,388	$599.3880	$0.0000	$0.0000	$599.3880

F81	**Part F Total***(Add lines F1-F80)*	$7,513.77

** May contain both Full Service Intelligent Mail and other discounts.

This postage statement was verified and accepted under the PostalOne! program. No postal signature or round stamp is required.

This postage statement was verified and accepted under the PostalOne! program. No postal signature or round stamp is required.

Proposition 218 Notification and Protest Hearing Process

Summary:
The Lodi City Council will consider proposed future water, wastewater and contracted solid waste rate increases at a public hearing at 7:00 p.m., Wednesday, May 7, 2014, at the Carnegie Forum, 305 West Pine Street, Lodi. A majority protest would stop the proposed future increases. If you wish to protest the proposed increases written protests may be made in person at the hearing or delivered to:

City of Lodi
Attention: City Clerk
221 West Pine Street
Post Office Box 3006
Lodi, California 95241-1910

If you already filed a protest prior to the continuance of the December 18, 2013 hearing on this Notice, your prior protest will be counted.

Explanation of Protest Process
Proposition 218 requires that the City provide a notice of the proposed future rate schedule to all property owners forty-five (45) days prior to holding a public hearing. If a majority of the property owners or renters who pay the utility bill file oppositions to the increase, the increase will not take effect. A protest must contain a description of the property owned sufficient to identify the property. The address or assessor's parcel number is shown on this mailing.

If the name on the written protest is not shown on the last equalized assessment roll of San Joaquin County as the owner of the property or on the utility account, the signer of the protest must also submit written evidence of ownership or rentership and utility bill responsibility.

At the public hearing, Council shall hear all protests and tabulate the ballots. One written protest per parcel, filed by the owner or tenant (paying the utility bill) of the parcel shall be counted in calculating a majority protest to a proposed new fee or charge subject to the requirements of Section 6 of Article XIII D of the California Constitution. If the votes conflict, the City will count the no vote.

Explanation of Proposed Future Increases:
City Staff is requesting that the City Council pre-authorize inflationary based adjustments in an amount up to the lesser of three percent (3%) or the actual amount of inflation for the next five years to pay for anticipated inflationary based cost increases. Water rates will be increased by up to their applicable index each January 1, from 2015 through 2019 and wastewater rates each July 1, from 2014 through 2019.

In addition staff is requesting that Council make a small adjustment to rates to more equitably distribute costs among its various classes of rate payers. Currently, metered single family residential customers pay for water on a tiered system. The more a customer uses, the more they pay per gallon. However, multi-family (condominiums/duplexes), commercial and industrial customers pay for all their water at the first tier rate. This rate restructuring would effectively

lower costs for single family metered customers and increase rates for multi-family, commercial and industrial customers to achieve better equity between these customer classes. Net rate revenues will remain unchanged.

The City of Lodi proposes to increase all water and wastewater rates by an amount up to the percentage increase in the annual average of the Engineering News Record (20 cities average) Index ("ENR"), as of September 30 (water) and March 31 (wastewater) of each year from 2014 through 2018. The City of Lodi also proposes to increase contracted solid waste charges by the annual change in the Consumer Price Index for All Urban Consumers for San Francisco-San Jose California Area All Items (1982-84=100) published by the Bureau of Labor Statistics ("CPI") as of December 31 of each year from December 31, 2014 through December 31, 2018. The water and wastewater increases shall not exceed three percent (3%) per year. The ENR and CPI based increases will be implemented as needed to pay for inflation-based increased costs of providing water, wastewater and contracted solid waste services.

The City also proposes to institute new rates for installation of meters over ¾ of an inch as set forth in the attached rate table entitled Exhibit A Meter Charge Schedule; establish a new vacant unit rate as set forth in the attached rate table entitled Exhibit B Vacant Unit Rate; approve new flat rate water and wastewater rates as set forth in the attached rate tables entitled Exhibit C Current and Proposed Flat Water Rates and Flat Wastewater Rates; and restructure rates for single-family residential, multi-family and non residential as further described in the attached rate table entitled Exhibit D Current and Proposed Usage Based Water Rates and Usage Based Wastewater Rates. The current commercial compactor rates for solid waste are shown in Exhibit E and will be adjusted for CPI changes as provided in the next paragraph. The rate restructuring, vacant unit rate and meter installation rate for meters exceeding ¾ inch will take place on May 8, 2014.

Basis of Proposed Rate Calculation

The new ENR and CPI based rates will be calculated by increasing the then existing rate in each of five years starting in 2014 by the prior year's increase in the ENR or CPI but not to exceed 3 percent for water and wastewater. Staff's recommended rate for the meter installation over ¾ of an inch is calculated as the City's actual contracted cost to purchase the meter plus 55 percent to cover a portion of the installation cost and is presented in column 2 of the Exhibit A Meter Charge Schedule. The vacant rate is calculated as the monthly base charge for water or wastewater. The rate restructuring is calculated by increasing the single tier for multi-family and non-residential by the weighted average of the multiple tier rate and decreasing all of the single-family rates by the exact amount of the revenue that the increase to multi-family and non-residential is projected to generate.

Conclusion:

If you have any questions about this notice, please call the Public Works Department at (209) 333-6706 between 7:30 a.m. and 5:30 p.m., Monday through Thursday, and between 8:00 a.m. and 5:00 p.m. on Friday. City Hall is closed every other Friday.

RANDI JOHL-OLSON, City Clerk
City of Lodi

Notificación de Proposición 218 y proceso de audiencia de protesta

Resumen:
El Consejo de la ciudad de Lodi considerará los incrementos propuestos en las tarifas de agua, aguas residuales y desechos sólidos contratados en una audiencia pública a las 7 PM, el miércoles 7 de mayo de 2014, en el Carnegie Forum, en el 305 West Pine Street, Lodi. Una protesta mayoritaria detendrán los incrementos futuros propuestos. Si desea protestar por los incrementos se pueden hacer protestas por escrito en persona en la audiencia o las puede entregar en:

Ciudad de Lodi
Atención: City Clerk
221 West Pine Street
Post Office Box 3006
Lodi, California 95241-1910

Si ya presentó una protesta antes del aplazamiento de la audiencia del 18 de diciembre de 2013 por esta Notificación, su protesta anterior será contada.

Explicación del proceso de protesta
La Proposición 218 requiere que la Ciudad proporcione una notificación del programa de tarifas futuras propuestas a todos los dueños de propiedad cuarenta y cinco (45) días antes de llevar a cabo la audiencia pública. Si la mayoría de los dueños de propiedad o renteros que pagan el recibo de servicios presentan oposiciones por el incremento, éste no entrará en vigor. Una protesta debe contener una descripción de la propiedad suficiente para identificar la misma. La dirección o número de parcela del valuador se muestra en este correo.

Si no se muestra el nombre en la protesta por escrito en la última lista de tasación ajustada del Condado de San Joaquín como dueño de la propiedad o en la cuenta de servicios, el firmante de la propuesta también debe presentar evidencia por escrito de dicha propiedad o arrendamiento y su responsabilidad por el recibo de servicios.

En la audiencia pública, el Consejo deberá escuchar todas las propuestas y tabular los votos. Se deberá contar una protesta por escrito por parcela, presentada por el propietario o inquilino (pagando el recibo de servicios) de la parcela para el cálculo de una protesta mayoritaria por un cargo o tarifa nueva propuesta sujeto a los requerimientos de la Sección 6 del Artículo XIII D de la Constitución de California. Si hay conflicto en los votos, la Ciudad lo contará sin voto.

Explicación de los incrementos futuros propuestos:
El personal de la Ciudad está solicitando que el Consejo de la ciudad pre-autorice los ajustes basados en la inflación por una cantidad que sea la menor de tres por ciento (3%) o la cantidad real de la inflación por los siguientes cinco años para pagar los incrementos de costos anticipados basados en la inflación. Las tarifas de agua se incrementarán hasta su índice aplicable cada 1 de enero, de 2015 a 2019 y las tarifas por aguas residuales cada 1 de julio, de 2014 al 2019.

Además, el personal solicita que el Consejo haga pequeños ajustes a las tarifas para distribuir los costos más equitativamente entre sus diversas clases de pagadores de tarifa. Actualmente, los clientes residenciales unifamiliares con medidor pagan por agua con un sistema de niveles. Entre más usa un cliente, más paga por galón. Sin embargo, los clientes de multifamiliares (condominios/dúplex), comerciales e industriales pagan por toda su agua con tarifa de primer nivel. Esta reestructuración de tarifas disminuirá efectivamente los costos para los clientes unifamiliares con medidor e incrementará las tarifas para clientes multifamiliares, comerciales e

industriales para lograr una mayor equidad entre las clases de clientes. Los ingresos netos por tarifas permanecerán sin cambio.

La Ciudad de Lodi propone incrementar todas las tarifas de agua y aguas residuales por una cantidad de hasta el porcentaje de incremento en el promedio anual del Índice del Engineering New Record ("ENR") (promedio de 20 ciudades), al 30 de septiembre (agua) y 31 de marzo (aguas residuales) para cada año del 2014 al 2018. La Ciudad de Lodi también propone incrementar los cargos por desechos sólidos contratados por el cambio anual en el Índice de precios al consumidor para todos los consumidores urbanos del área de San Francisco-San José California, todos los conceptos (1982-84=100) publicados por la Oficina de Estadísticas Laborales ("IPC") al 31 de diciembre de cada año del 31 de diciembre de 2014 al 31 de diciembre de 2018. Los incrementos en agua y aguas residuales no excederá del tres por ciento (3%) por año. Los incrementos basados en ENR e IPC serán implementados según sea necesario para pagar los costos incrementados basados en la inflación para proporcionar servicios de agua, aguas residuales y desechos sólidos contraídos.

La Ciudad también propone instituir nuevas tarifas para la instalación de medidores de más de ¾ de pulgada como se establece en la tabla de tarifas adjunta titulada como Anexo A Programa de cargos por medidor; establecer una nueva tarifa de unidad vacante como se establece en la tabla de tarifas adjunta titulada como Anexo B Tarifa de unidad vacante; aprobar una nueva tarifa fija para agua y aguas residuales como se establece en las tablas de tarifas adjuntas tituladas Anexo C Tarifas de agua fijas y tarifas de aguas residuales fijas actuales y propuestas; y tarifas de reestructuración para unifamiliares residenciales, multifamiliares y no residenciales como se describe en la tabla de tarifas adjunta titulada Anexo D Tarifas de agua y tarifas de aguas residuales basadas en uso actuales y propuestas. Las tarifas de compactador comercial actuales se muestran en el Anexo E y se ajustarán según los campos en el IPC como se indica en el siguiente párrafo. La tarifa de reestructuración, la tarifa de unidad vacante y la tarifa de instalación de medidor para medidores que exceden ¾ de pulgada se aplicarán el 8 de mayo de 2014.

Bases para el cálculo de la tarifa propuesta
Las nuevas tarifas basadas en el ENR y el IPC serán calculadas al incrementar la tarifa entonces existente en cada uno de los cinco años a partir de 2014 por el incremento del año anterior en el ENR o el IPC sin exceder el 3 por ciento para agua y aguas residuales. La tarifa recomendada por el personal para la instalación de medidor de más de ¾ de pulgada se calcula según el costo contratado actual de la Ciudad para comprar el medidor más 55 por ciento para cubrir una porción de la instalación y se presenta en la columna 2 del Anexo A Programa de cargos por medidor. La tarifa de vacantes se calcula en un cargo mensual por agua y aguas residuales. La tarifa de reestructuración se calcula al incrementar el nivel único para multifamiliar y no residencial según el promedio ponderado de tarifas de múltiple nivel y disminuyendo todas las tarifas de unifamiliares por la cantidad exacta de ingresos que el incremento en multifamiliares y no residenciales se proyecta que genere.

Conclusión:
Si tiene alguna pregunta sobre esta notificación, llamar al Departamento de Obras Públicas al (209) 333-6706 entre 7:30 AM y 5:30 PM, de lunes a jueves y entre las 8:00 AM y las 5:00 PM los viernes. El Ayuntamiento cierra cada dos viernes.

RANDI JOHL-OLSON, Secretario del ayuntamiento
Ciudad de Lodi

CITY COUNCIL
PHIL KATZAKIAN, Mayor
LARRY D. HANSEN,
Mayor Pro Tempore
BOB JOHNSON
JOANNE L. MOUNCE
ALAN NAKANISHI

CITY OF LODI

PUBLIC WORKS DEPARTMENT
CITY HALL, 221 WEST PINE STREET / P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
TELEPHONE (209) 333-6706 / FAX (209) 333-6710
EMAIL pwdept@lodi.gov
http://www.lodi.gov

KONRADT BARTLAM,
City Manager

RANDI JOHL-OLSON,
City Clerk

D. STEPHEN SCHWABAUER,
City Attorney

F. WALLY SANDELIN,
Public Works Director

February 1, 2014

SUBJECT: Proposed Schedule of Utility Rate Increases

This letter to our utility customers addresses some commonly questioned aspects of the Proposition 218 process relative to forecasted utility rate increases. One, the City's Proposition 218 notices will not result in any increase in utility rates. The Proposition 218 notice is a notice of proposed rate schedules and does not constitute a utility rate increase. It the case of water and wastewater rates, it sets a maximum limit of 3% for future rate increases, even if the inflationary index exceeds 3%. In the case of refuse rates, it sets a maximum limit equal to the change in the Consumer Price Index (CPI).

Two, the City has acted transparently by regularly presenting at numerous public meetings the financial models for the water and wastewater utilities that contain specific information on the forecasted increases in costs for personnel, utilities, materials, supplies, and debt service and lists specific system improvement projects. As recently as October 15, 2013, this information was presented at the Shirtsleeve meeting and is available online at the City Council Agendas and Minutes site.

Three, the financial models present the best information available that support the notion of continued modest increases in rates. Again, the Council will not be voting on April 16 to increase rates by 3% for each of the next five years. Each year, actual numbers from the prior year and budget numbers for the next year provide the facts to Council so a decision can be made as to whether there should be no rate increase or a modest increase.

Four, the objective of the proposed rate schedules is to make it possible to offset inflationary increases in water and wastewater operating costs should that become necessary. The rate changes are not intended to fund capital projects. In the past, maximum permitted rate increases have not been implemented and, in fact, the average annual water rate increase has been 1.2% over the past six years.

Five, the proposed rate schedules will not be used to pay for infrastructure required to serve the demands presented by new development. The development impact fee program requires new development to reimburse the City for past and future investments in water, wastewater, streets, police, fire and other infrastructure. In fact, if new development exceeds that forecasted in the financial models, this could partially offset recommended inflationary increases.

Lastly, significant system improvements are planned that will, in the long term, significantly reduce expensive maintenance costs and evenly spread utility costs (rates) amongst our customers. These system improvements include the water and wastewater replacement program, water meter installation program, old water meter retrofit program, and system-wide well maintenance. And there are administration costs to run the utilities with much of those costs related to meeting State requirements for the operation of the wastewater treatment plant and the recently-completed water treatment plant.

Sincerely,

F. Wally Sandelin
Public Works Director

FWS/pmf

CITY COUNCIL
PHIL KATZAKIAN, Mayor
LARRY D. HANSEN,
Mayor Pro Tempore
BOB JOHNSON
JOANNE L. MOUNCE
ALAN NAKANISHI

CITY OF LODI

PUBLIC WORKS DEPARTMENT
CITY HALL, 221 WEST PINE STREET / P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
TELEPHONE (209) 333-6706 / FAX (209) 333-6710
EMAIL pwdept@lodi.gov
http://www.lodi.gov

KONRADT BARTLAM,
City Manager

RANDI JOHL-OLSON,
City Clerk

D. STEPHEN SCHWABAUER,
City Attorney

F. WALLY SANDELIN,
Public Works Director

1 de febrero de 2014

TEMA: Programa propuesto para incrementos en tarifas de servicios

Esta carta para nuestros clientes de servicios trata algunos de los aspectos comúnmente cuestionados sobre el proceso de la Proposición 218 relativo a la predicción de incrementos en las tarifas de servicios. Uno, las notificaciones de la Proposición 218 de la ciudad no resultarán en ningún incremento de las tarifas de servicios. La notificación de la Proposición 218 es una notificación sobre el programa de tarifas propuesta y no constituye un incremento en las tarifas de servicios. En el caso de las tarifas por agua y aguas residuales, se tiene establecido un límite máximo de 3% para futuros incrementos en tarifas, incluso si el índice inflacionario excede el 3%. En el caso de tarifas de rechazo, se establece un límite máximo igual al cambio en el Índice de precios al consumidor (IPC).

Dos, la Ciudad ha actuado de manera transparente al presentar regularmente en numerosas reuniones públicas los modelos financieros de los servicios de agua y aguas residuales los cuales contienen información específica sobe los incrementos pronosticados en cuanto a los costos de personal, servicios, materiales, suministros y servicios de deuda y enumera proyectos específicos de mejora en el sistema. Tan reciente como el 15 de octubre de 2013, esta información fue presentada en la reunión de Shirtsleeve y también está disponible en línea en el sitio de Agenda y minutas del consejo municipal.

Tres, los modelos financieros presentan la mejor información disponible que apoya la noción de incrementos modestos continuos en las tarifas. De nuevo, el Consejo no votará el 16 de abril para el incremento de las tarifas en un 3% para cada uno de los siguientes cinco años. Cada año, los números reales del año anterior y los números del presupuesto para el siguiente año proporcionan los hechos para el Consejo de manera que se pueda tomar una decisión respecto a si no debe haber incremento en las tarifas o si debe haber un incremento modesto.

El objetivo del programa de tarifas propuesto es el de poder compensar los incrementos inflacionarios en los costos de operación del agua y aguas residuales de ser estos necesarios. Los cambios en las tarifas no tienen el propósito de generar fondos para proyectos de inversión. En el pasado, los incrementos máximos permitidos a las tarifas no fueron implementado y, de hecho, la tarifa promedio anual por agua ha incrementado 1.2$ durante los últimos seis años.

Cinco, el programa de tarifas propuesto no será usado para pagar por la infraestructura requerida para dar servicio a la demanda requerida por el nuevo desarrollo. El programa de cuota de impacto del desarrollo requiere que el nuevo desarrollo reembolse a la Ciudad las inversión es pasadas y futuras en agua, aguas residuales, calles, policía, incendio y demás infraestructuras. De hecho, si el nuevo desarrollo excede dicho pronóstico en los modelos financieros, esto podría compensar parcialmente los incrementos inflacionarios recomendados.

Por último, se planean significativas mejoras en el sistema que, a largo plazo, reducirán significativamente los caros costos de mantenimiento y distribuirán de manera equitativa los costos (tarifas) por servicios entre nuestros clientes. Estas mejoras en el sistema incluyen programa de reemplazo de agua y aguas residuales, programa de instalación de medidores de agua, programa de reacondicionamiento de medidores antiguos de agua y mantenimiento de todo el sistema. Y hay costos administrativos para hacer funcionar los servicios con muchos de esos costos relacionados a cumplir con los requerimientos estatales por operación de la planta de tratamiento de aguas residuales y la planta de tratamiento de agua recientemente terminada.

Cordialmente,

F. Wally Sandelin
Director de obras públicas

FWS/pmf

Exhibit A

Meter Charge Schedule

Meter Size	Recommended Price Based (Cost x 1.55)	Capacity Based	Installed Cost (Contractor Prices)	Lodi Fee Schedule	Santa Clara Fee Schedule	No Charge
¾	$300	$300	$940	$400	$370	$0
1	$350	$500	$1,420	$480	$365	$0
1 ½	$780	$1,000	$3,810	$745	$1,565	$0
2	$970	$1,600	$5,720	$930	$1,730	$0
3	$1,980	$3,000	$5,950	N/A	$2,065	$0
4	$3,570	$5,000	N/A	N/A	$4,130	$0
6	$6,760	$10,000	N/A	N/A	$6,750	$0
8	$11,520	$16,000	N/A	N/A	$10,670	$0

Exhibit B

Vacant Unit Rate

- Flat rate residential customers – monthly service charge for a ¾ inch meter
- Metered residential customers – no vacant utility rate
- Master metered multi-family – no vacant utility rate
- Metered multi-family unit – no vacant utility rate
- Monthly service charge will reduce with conservation pricing

Anexo A

Programa de cobro de medidor

Tamaño de medidor	Precio base recomendado (Costo x 1.55)	Capacidad basada	Costo instalado (Precios de contratista)	Programa de tarifas de Lodi	Programa de tarifas de Santa Clara	Sin cargo
¾	$300	$300	$940	$400	$370	$0
1	$350	$500	$1,420	$480	$365	$0
1 ½	$780	$1,000	$3,810	$745	$1,565	$0
2	$970	$1,600	$5,720	$930	$1,730	$0
3	$1,980	$3,000	$5,950	N/A	$2,065	$0
4	$3,570	$5,000	N/A	N/A	$4,130	$0
6	$6,760	$10,000	N/A	N/A	$6,750	$0
8	$11,520	$16,000	N/A	N/A	$10,670	$0

Anexo B

Tarifa de unidad vacante

- Tarifa fija clientes residenciales – cargo mensual por servicio por un medidor de ¾ de pulgada
- Clientes residenciales con medidor – sin tarifa de servicio vacante
- Multifamiliar con medidor principal – sin tarifa de servicio vacante
- Unidad multifamiliar con medidor – sin tarifa de servicio vacante
- El cargo mensual de servicio se reducirá con precios de conservación

Exhibit C
City of Lodi
Current and Proposed Flat Water Rates

	Current (Jan. 2013)	Proposed (Jan. 2014)	Future Rate Ceiling: Proposed (Jan. 2015)	Proposed (Jan. 2016)	Proposed (Jan. 2017)	Proposed (Jan. 2018)	Proposed (Jan. 2019)
Rate Increase -->		**2.5%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
FLAT RATES							
Single Family Residential							
1 Bedroom	$ 29.90	$ 30.65	$ 31.57	$ 32.52	$ 33.50	$ 34.51	$ 35.55
2 Bedroom	$ 35.91	$ 36.81	$ 37.91	$ 39.05	$ 40.22	$ 41.43	$ 42.67
3 Bedroom	$ 43.04	$ 44.12	$ 45.44	$ 46.80	$ 48.20	$ 49.65	$ 51.14
4 Bedroom	$ 51.72	$ 53.01	$ 54.60	$ 56.24	$ 57.93	$ 59.67	$ 61.46
5 Bedroom	$ 62.03	$ 63.58	$ 65.49	$ 67.45	$ 69.47	$ 71.55	$ 73.70
6 Bedroom	$ 74.44	$ 76.30	$ 78.59	$ 80.95	$ 83.38	$ 85.88	$ 88.46
Multi-Family (1)							
1 Bedroom	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
2 Bedroom	$ 30.79	$ 31.56	$ 32.51	$ 33.49	$ 34.49	$ 35.52	$ 36.59
3 Bedroom	$ 36.94	$ 37.86	$ 39.00	$ 40.17	$ 41.38	$ 42.62	$ 43.90
4 Bedroom	$ 44.32	$ 45.43	$ 46.79	$ 48.19	$ 49.64	$ 51.13	$ 52.66
Mobile Homes							
Any Size	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
Non-Residential							
Existing unmetered	Varies	+2.5%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%

Notes:
(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, and condominiums.

Anexo C
Ciudad de Lodi
Tarifas de agua fijas actuales y propuestas

	Actual (Ene. 2013)	Propuesta (Ene. 2014)	Tarifa futura máxima: Propuesta (Ene. 2015)	Propuesta (Ene. 2016)	Propuesta (Ene. 2017)	Propuesta (Ene. 2018)	Propuesta (Ene. 2019)
Incremento de tarifa -->		**2.5%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
TARIFAS FIJAS							
Residencial unifamiliar							
1 recámara	$ 29.90	$ 30.65	$ 31.57	$ 32.52	$ 33.50	$ 34.51	$ 35.55
2 recámaras	$ 35.91	$ 36.81	$ 37.91	$ 39.05	$ 40.22	$ 41.43	$ 42.67
3 recámaras	$ 43.04	$ 44.12	$ 45.44	$ 46.80	$ 48.20	$ 49.65	$ 51.14
4 recámaras	$ 51.72	$ 53.01	$ 54.60	$ 56.24	$ 57.93	$ 59.67	$ 61.46
5 recámaras	$ 62.03	$ 63.58	$ 65.49	$ 67.45	$ 69.47	$ 71.55	$ 73.70
6 recámaras	$ 74.44	$ 76.30	$ 78.59	$ 80.95	$ 83.38	$ 85.88	$ 88.46
Multifamiliar (1)							
1 recámara	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
2 recámaras	$ 30.79	$ 31.56	$ 32.51	$ 33.49	$ 34.49	$ 35.52	$ 36.59
3 recámaras	$ 36.94	$ 37.86	$ 39.00	$ 40.17	$ 41.38	$ 42.62	$ 43.90
4 recámaras	$ 44.32	$ 45.43	$ 46.79	$ 48.19	$ 49.64	$ 51.13	$ 52.66
Casas móviles							
Cualquier tamanño	$ 25.67	$ 26.31	$ 27.10	$ 27.91	$ 28.75	$ 29.61	$ 30.50
No residencial							
Existentes sin medido	Varía	+2.5%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%

Notas:
(1) Multifamiliar incluye duplex, tres y catro juntas, departamentos y condominios.

Exhibit C
City of Lodi
Current and Proposed Flat Wastewater Rates

		Future Rate Ceiling				
	Current (Jul. 2013)	Proposed (Jul. 2014)	Proposed (Jul. 2015)	Proposed (Jul. 2016)	Proposed (Jul. 2017)	Proposed (Jul. 2018)
Rate Increase -->		3.0%	3.0%	3.0%	3.0%	3.0%
FLAT RATES						
Single Family Residential						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
5 Bedroom	$ 60.27	$ 62.08	$ 63.94	$ 65.86	$ 67.84	$ 69.88
6 Bedroom	$ 68.88	$ 70.95	$ 73.08	$ 75.27	$ 77.53	$ 79.86
7 Bedroom	$ 77.49	$ 79.81	$ 82.20	$ 84.67	$ 87.21	$ 89.83
Duplexes, Triplexes, Fourplexes, Apartments, and Condominiums						
1 Bedroom	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 Bedroom	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 Bedroom	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 Bedroom	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
Mobile Homes						
Any Size	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
Non-Residential (1)						
Per SSU	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92

Notes:
(1) Proposed flat wastewater rates for schools are to be determined on the basis of 18 student per SSU.

Anexo C
Ciudad de Lodi
Tarifas de agua residuales fijas actuales y propuestas

		Tarifa futura máxima				
	Actual (Ene. 2013)	Propuesta (Ene. 2014)	Propuesta (Ene. 2015)	Propuesta (Ene. 2016)	Propuesta (Ene. 2017)	Propuesta (Ene. 2018)
Incremento de tarifa -->		3.0%	3.0%	3.0%	3.0%	3.0%
TARIFAS FIJAS						
Residencial unifamiliar						
1 recámara	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 recámaras	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 recámaras	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 recámaras	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
5 recámaras	$ 60.27	$ 62.08	$ 63.94	$ 65.86	$ 67.84	$ 69.88
6 recámaras	$ 68.88	$ 70.95	$ 73.08	$ 75.27	$ 77.53	$ 79.86
7 recámaras	$ 77.49	$ 79.81	$ 82.20	$ 84.67	$ 87.21	$ 89.83
duplex, tres y catro juntas, departamentos y condominios						
1 recámara	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
2 recámaras	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92
3 recámaras	$ 43.05	$ 44.34	$ 45.67	$ 47.04	$ 48.45	$ 49.90
4 recámaras	$ 51.66	$ 53.21	$ 54.81	$ 56.45	$ 58.14	$ 59.88
Casas móviles						
Cualquier tamaño	$ 25.83	$ 26.60	$ 27.40	$ 28.22	$ 29.07	$ 29.94
No residencial (1)						
Por SSU	$ 34.44	$ 35.47	$ 36.53	$ 37.63	$ 38.76	$ 39.92

Notas:
(1) Las tarifas fijas por aguas residuales propuestas para escuelas serán determinadas basandose en 18 estudiantes por SSU.

Exhibit D
City of Lodi
Current and Proposed Usage-Based Water Rates

	Current (Jan. 2013)	Proposed (Jan. 2014)	Proposed (Jan. 2014)	Future Rate Ceiling: Proposed (Jan. 2015)	Proposed (Jan. 2016)	Proposed (Jan. 2017)	Proposed (Jan. 2018)	Proposed (Jan. 2019)
Rate Increase -->		2.5% (2)	(3)	3.0% (4)	3.0% (4)	3.0%	3.0%	3.0%
USAGE-BASED RATES								
Monthly Service Charge								
Single Family								
Up to 3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 75.42	$ 77.31	$ 72.45	$ 69.63	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 119.79	$ 122.78	$ 114.71	$ 109.84	$ 101.52	$ 104.57	$ 107.71	$ 110.94
Multi-Family and Non-Residential (1)								
Up to 3/4" meter	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
1" meter	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
1 1/2" meter	$ 60.24	$ 61.75	$ 62.08	$ 64.28	$ 64.62	$ 66.56	$ 68.56	$ 70.62
2" meter	$ 75.27	$ 77.15	$ 84.29	$ 94.17	$ 101.52	$ 104.57	$ 107.71	$ 110.94
3" meter	$ 105.38	$ 108.01	$ 132.74	$ 162.18	$ 187.65	$ 193.28	$ 199.08	$ 205.05
4" meter	$ 135.51	$ 138.90	$ 193.14	$ 254.80	$ 310.67	$ 319.99	$ 329.59	$ 339.48
6" meter	$ 195.68	$ 200.57	$ 333.69	$ 480.82	$ 617.94	$ 636.48	$ 655.57	$ 675.24
8" meter	$ 255.91	$ 262.31	$ 494.23	$ 747.94	$ 986.82	$ 1,016.42	$ 1,046.91	$ 1,078.32
10" meter	$ 316.01	$ 323.91	$ 674.61	$ 1,056.08	$ 1,417.30	$ 1,459.82	$ 1,503.61	$ 1,548.72
Usage Rates ($/CCF)								
Single Family								
Tier 1 (0-10 CCF)	$ 0.92	$ 0.94	$ 0.94	$ 0.97	$ 0.96	$ 0.99	$ 1.02	$ 1.05
Tier 2 (11-50 CCF)	$ 1.38	$ 1.41	$ 1.35	$ 1.33	$ 1.27	$ 1.31	$ 1.35	$ 1.39
Tier 3 (>50 CCF)	$ 1.82	$ 1.87	$ 1.76	$ 1.70	$ 1.59	$ 1.64	$ 1.69	$ 1.74
Multi-Family and Non-Residential (1)								
All water usage	$ 0.92	$ 0.94	$ 1.00	$ 1.09	$ 1.14	$ 1.17	$ 1.21	$ 1.25

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) This schedule includes the proposed indexing of 2.5 percent, with no rate structure changes.
(3) This rate schedule is revenue neutral relative to the proposed newly indexed January 2014 water rates, but includes the beginning of the proposed 3-year phased changes to the rate structure.
(4) These rate schedules reflect the second and third year of the 3-year rate structure phasing, as well as the maximum potential rate adjustment due to ENR indexing.

Anexo D
Ciudad de Lodi
Tarifas de agua basadas en utilización actuales y propuestas

	Actual (Ene. 2013)	Propuesta (Ene. 2014)	Propuesta (Ene. 2014)	Tarifa futura máxima: Propuesta (Ene. 2015)	Propuesta (Ene. 2016)	Propuesta (Ene. 2017)	Propuesta (Ene. 2018)	Propuesta (Ene. 2019)
Incremento de tarifa -->		2.5% (2)	(3)	3.0% (4)	3.0% (4)	3.0%	3.0%	3.0%
TARIFAS BASADAS EN UTILIZACIÓN								
Cargo mensual por servicio								
Unifamiliar								
Medidor hasta 3/4"	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
Medidor de 1"	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
Medidor de 1 1/2"	$ 75.42	$ 77.31	$ 72.45	$ 69.63	$ 64.62	$ 66.56	$ 68.56	$ 70.62
Medidor de 2"	$ 119.79	$ 122.78	$ 114.71	$ 109.84	$ 101.52	$ 104.57	$ 107.71	$ 110.94
Multifamiliar y no residencial (1)								
Medidor hasta 3/4"	$ 23.78	$ 24.37	$ 23.26	$ 22.80	$ 21.65	$ 22.30	$ 22.97	$ 23.66
Medidor de 1"	$ 38.60	$ 39.57	$ 37.38	$ 36.26	$ 34.01	$ 35.03	$ 36.08	$ 37.16
Medidor de 1 1/2"	$ 60.24	$ 61.75	$ 62.08	$ 64.28	$ 64.62	$ 66.56	$ 68.56	$ 70.62
Medidor de 2"	$ 75.27	$ 77.15	$ 84.29	$ 94.17	$ 101.52	$ 104.57	$ 107.71	$ 110.94
Medidor de 3"	$ 105.38	$ 108.01	$ 132.74	$ 162.18	$ 187.65	$ 193.28	$ 199.08	$ 205.05
Medidor de 4"	$ 135.51	$ 138.90	$ 193.14	$ 254.80	$ 310.67	$ 319.99	$ 329.59	$ 339.48
Medidor de 6"	$ 195.68	$ 200.57	$ 333.69	$ 480.82	$ 617.94	$ 636.48	$ 655.57	$ 675.24
Medidor de 8"	$ 255.91	$ 262.31	$ 494.23	$ 747.94	$ 986.82	$ 1,016.42	$ 1,046.91	$ 1,078.32
Medidor de 10"	$ 316.01	$ 323.91	$ 674.61	$ 1,056.08	$ 1,417.30	$ 1,459.82	$ 1,503.61	$ 1,548.72
Tarifas de utilización ($/CCF)								
Unifamiliar								
Nivel 1 (0-10 CCF)	$ 0.92	$ 0.94	$ 0.94	$ 0.97	$ 0.96	$ 0.99	$ 1.02	$ 1.05
Nivel 2 (11-50 CCF	$ 1.38	$ 1.41	$ 1.35	$ 1.33	$ 1.27	$ 1.31	$ 1.35	$ 1.39
Nivel 3 (>50 CCF)	$ 1.82	$ 1.87	$ 1.76	$ 1.70	$ 1.59	$ 1.64	$ 1.69	$ 1.74
Multifamiliar y no residencial (1)								
Todo uso de agua	$ 0.92	$ 0.94	$ 1.00	$ 1.09	$ 1.14	$ 1.17	$ 1.21	$ 1.25

Notas:

(1) Multifamiliar incluye duplex, tres y catro juntas, departamentos, condominios y parques para casas móviles.
(2) Este programa incluye la indexación propuesta del 2.5 por ciento, sin cambios en la estructura de tarifas.
(3) Este programa de tarifas es neutral en cuanto a ingresos erlativo a las tarifas por agua de enero de 2014 recien indexadas propuestas, pero incluyen el inicio de los cambios a 3 años propuestos para la estructura de tarifas.
(4) Estos programas de tarifas reflejan el segundo y tercer año de una adopción de estructura de tarifas a 3 años, así como el ajuste máximo a la tarifa potencial debido al indexado ENR.

Exhibit D
City of Lodi
Current and Proposed Usage-Based Wastewater Rates

	Current (Jul. 2013)	Future Rate Ceiling: Proposed (Jul. 2014)	Proposed (Jul. 2015)	Proposed (Jul. 2016)	Proposed (Jul. 2017)	Proposed (Jul. 2018)
Rate Increase -->		3.0%	3.0%	3.0%	3.0%	3.0%
USAGE-BASED RATES						
Monthly Service Charge						
Single Family (per DU)	$ 23.52	$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
Multi-Family and Non-Residential (1)						
Up to 3/4" meter		$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
1" meter		$ 38.83	$ 39.99	$ 41.19	$ 42.43	$ 43.70
1 1/2" meter		$ 75.03	$ 77.28	$ 79.60	$ 81.99	$ 84.45
2" meter		$ 118.63	$ 122.19	$ 125.86	$ 129.64	$ 133.53
3" meter		$ 220.45	$ 227.06	$ 233.87	$ 240.89	$ 248.12
4" meter		$ 365.88	$ 376.86	$ 388.17	$ 399.82	$ 411.81
6" meter		$ 729.12	$ 750.99	$ 773.52	$ 796.73	$ 820.63
8" meter		$ 1,165.18	$ 1,200.14	$ 1,236.14	$ 1,273.22	$ 1,311.42
Usage Rates ($/CCF)						
Single Family (2)	$ 2.68	$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Multi-Family (2)		$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Non-Residential (2) (3)						
Low Strength		*$ 2.76*	*$ 2.84*	*$ 2.93*	*$ 3.02*	*$ 3.11*
Medium Strength		*$ 3.45*	*$ 3.55*	*$ 3.66*	*$ 3.77*	*$ 3.88*
High Strength		*$ 4.49*	*$ 4.62*	*$ 4.76*	*$ 4.90*	*$ 5.05*
Industrial (4)						
Flow (per MG annually)	$ 3,487.41	$ 3,592.03	$ 3,699.79	$ 3,810.78	$ 3,925.10	$ 4,042.85
BOD (per 1,000 lbs annuall	$ 575.51	$ 592.78	$ 610.56	$ 628.88	$ 647.75	$ 667.18
SS (per 1,000 lbs annually)	$ 359.85	$ 370.65	$ 381.77	$ 393.22	$ 405.02	$ 417.17

Notes:

(1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
(2) Usage charge based on winter water use determined as the average from the prior December-February period. Adjusted each July for each account.
(3) Placeholder. These rates not yet in use.
(4) Applies to industrial users discharging into the domestic sewer system.

Anexo D
Ciudad de Lodi
Tarifas de aguas residuales basadas en la utilización actuales y propuestas

	Actual (Ene. 2013)	Tarifa futura máxima: Propuesta (Ene. 2014)	Propuesta (Ene. 2015)	Propuesta (Ene. 2016)	Propuesta (Ene. 2017)	Propuesta (Ene. 2018)
Incremento de tarifa -->		3.0%	3.0%	3.0%	3.0%	3.0%
TARIFAS BASADAS EN UTILIZACIÓN						
Cargo mensual por servicio						
Unifamiliar (por DU)	$ 23.52	$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
Multifamiliar y no residencial (1)						
Medidor hasta 3/4"		$ 24.23	$ 24.96	$ 25.71	$ 26.48	$ 27.27
Medidor de 1"		$ 38.83	$ 39.99	$ 41.19	$ 42.43	$ 43.70
Medidor de 1 1/2"		$ 75.03	$ 77.28	$ 79.60	$ 81.99	$ 84.45
Medidor de 2"		$ 118.63	$ 122.19	$ 125.86	$ 129.64	$ 133.53
Medidor de 3"		$ 220.45	$ 227.06	$ 233.87	$ 240.89	$ 248.12
Medidor de 4"		$ 365.88	$ 376.86	$ 388.17	$ 399.82	$ 411.81
Medidor de 6"		$ 729.12	$ 750.99	$ 773.52	$ 796.73	$ 820.63
Medidor de 8"		$ 1,165.18	$ 1,200.14	$ 1,236.14	$ 1,273.22	$ 1,311.42
Tarifas de utilización ($/CCF)						
Unifamiliar (2)	$ 2.68	$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
Multifamiliar (2)		$ 2.76	$ 2.84	$ 2.93	$ 3.02	$ 3.11
No residencial (2) (3)						
Alto		*$ 2.76*	*$ 2.84*	*$ 2.93*	*$ 3.02*	*$ 3.11*
Medio		*$ 3.45*	*$ 3.55*	*$ 3.66*	*$ 3.77*	*$ 3.88*
Bajo		*$ 4.49*	*$ 4.62*	*$ 4.76*	*$ 4.90*	*$ 5.05*
Industrial (4)						
Flujo (por MG anual)	$ 3,487.41	$ 3,592.03	$ 3,699.79	$ 3,810.78	$ 3,925.10	$ 4,042.85
BOD (por 1,000 lbs anual)	$ 575.51	$ 592.78	$ 610.56	$ 628.88	$ 647.75	$ 667.18
SS (por 1,000 lbs anual)	$ 359.85	$ 370.65	$ 381.77	$ 393.22	$ 405.02	$ 417.17

Notas:

(1) Multifamiliar incluye duplex, tres y catro juntas, departamentos, condominios y parques para casas móviles.
(2) El cargo de utilización se basa en el uso de agua en invierno determinado como un promedio del periodo de diciembre a febrero anterio Ajustado cada julio para cada cuenta.
(3) Separador. Estas tarifas aún no están en uso.
(4) Aplica a usuarios industriales descargando en sistemas de drenaje doméstico.

Exhibit E

2/18/2014

CITY OF LODI
COMMERCIAL COMPACTOR RATES
EFFECTIVE April 1, 2014 TO March 31, 2015

Commercial Compactor Rates					
Service	1X Week	2X Week	3X Week	4X Week	5X Week
2 Cubic Yard Compactor	$290.35	$580.70	$871.05	$1,161.40	$1,451.75
3 Cubic Yard Compactor	$358.76	$717.53	$1,076.29	$1,435.05	$1,793.81
4 Cubic Yard Compactor	$427.73	$855.45	$1,283.18	$1,710.90	$2,138.63

ANEXO E

CIUDAD DE LODI
TARIFAS DE COMPACTADOR COMERCIAL
EN VIGOR DEL 1 DE ABRIL DE 2014 AL 31 DE MARZO DE 2015

Servicio	1X por semana	2X por semana	3X por semana	4X por semana	5X por semana
Compactador de 2 yardas cúbicas	$290.35	$580.70	$871.05	$1,161.40	$1,451.75
Compactador de 3 yardas cúbicas	$358.76	$717.53	$1,076.29	$1,435.05	$1,793.81
Compactador de 4 yardas cúbicas	$427.73	$855.45	$1,283.18	$1,710.90	$2,138.63

CITY OF LODI
Public Works Department
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910

PRSRT STD
U.S. POSTAGE
PAID
STOCKTON CA
PERMIT NO. 269

PROPOSED UTILITY RATE INCREASE

AGENDA ITEM G-02

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Public Hearing to Consider Adopting a Resolution Approving the Final 2014-2018 Consolidated Plan for the Community Development Block Grant Program

MEETING DATE: May 7, 2014

PREPARED BY: Community Development Director

RECOMMENDED ACTION: Public hearing to consider adopting a resolution approving the Final 2014-2018 Consolidated Plan for the Community Development Block Grant Program.

BACKGROUND INFORMATION: The Consolidated Plan is a five-year plan for identifying and addressing community needs. It contains an assessment that defines housing and community development needs for low-income persons and families, as well as a variety of special needs populations, including homeless, elderly, and disabled persons. The needs assessment is based on Census data, other available data sources, and input from community residents and service providers.

Needs Assessment Overview

The City of Lodi has 62,225 residents and 21,548 households, according to the most recent American Community Survey (ACS) data. The City's median household income is approximately $49,000.

Forty-two and one-half percent of the City's households qualify as low-income. Statistically, households with small children and households with one or more members aged 75 or older are more likely to be low-income. Small family households and households with young senior (62-74 years old) are less likely than average to be low income. Large family households are slightly more likely than average to be low-income.

Housing Problems

About 60 percent of low-income households in Lodi experience one or more of the following housing problems:

- Lack of complete kitchen facilities
- Lack of complete plumbing facilities
- Overcrowding – more than one person per room
- Cost burden greater than 30 percent

APPROVED: _____
Steve Schwabauer, Interim City Manager

About 22 percent of the low-income households in Lodi experience one or more of the following severe housing problems:

- Severe overcrowding – more than one and a half persons per room
- Cost burden greater than 50 percent

Housing Needs

The City's primary housing issue continues to be providing housing that is affordable to the lowest-income segments of the population. Demand for affordable housing, especially for extremely low-income and very low-income units, continues to outpace the very limited production within the community. Limited funding resources, the high cost of subsidy, and restrictions on funding sources provide challenges in addressing existing and projected affordable housing needs.

Outreach and consultation identified the following general housing needs:

- New affordable housing construction
- Emergency housing repairs/Minor housing rehabilitation
- Preservation and rehabilitation of existing affordable rental housing and public housing
- Tenant-based rental assistance
- Down payment assistance
- Affordable rental housing for seniors and low-income families

Priority Needs

In addition to housing needs, the City identified several needs related to public facilities, public improvements, and public services:

- Public facilities
  - Community centers
  - Youth facilities
  - Community gardens
  - Child care facilities
  - One-stop service centers

- Public improvements
  - Alley improvements, including storm drain and flooding improvements
  - ADA-accessible curb ramps
  - Sidewalk infill

- Public services
  - Crime prevention
  - Affordable youth activities
  - Senior services
  - Job training/education

Annual Action Plan

An Annual Action Plan which provides a detailed description of each activity proposed as well as the City's CDBG budget for the 2014/15 fiscal year is incorporated in the Consolidated Plan.

The City will receive an estimated $602,302 in CDBG funds from the federal government for 2014/15, which is 4.4 percent less than what was received last year.

Council approved the Draft 2014-2018 Consolidated Plan and the preliminary allocation of CDBG funds for 2014/15 on April 2, 2014. They were made available for public review and comment from April 7th through May 7th. Any public comments received during that 30-day period, and any supplemental information required for the Consolidated Plan document will be provided at this Public Hearing.

CDBG funds can be used for a wide range of community development projects as long as they meet a national objective. The national objectives are 1) to address the needs of low- to moderate-income persons, 2) to eliminate slum or blighted conditions, and 3) to resolve an urgent need. During the program year that begins July 1, 2014, the City plans to fund public facilities improvements, infrastructure, public services, program administration, and the removal of material and architectural barriers which restrict the mobility and accessibility of elderly or handicapped persons to publicly-owned and privately-owned buildings, facilities, and improvements.

Using a combination of CDBG, State HOME and other funding sources, the City's key objectives for the 2014/15 funding period include the following:

- Improve the ability of elderly and disabled residents to access their homes, the City's public facilities, and City streets and sidewalks
- Increase the supply of affordable housing
- Improve the condition of the City's housing stock
- Improve public facilities benefiting low-income areas and targeted low-income populations
- Remove blighting influences in low-income areas
- Support community organizations to make improvements to their facilities
- Assist community-based organizations to provide fair housing and basic needs programs to target-income residents

CDBG Funding Recommendations

Funding recommendations for the following categories: Planning & Administration, City projects, City service programs, community-based organization (CBO) projects, and CBO service programs, are listed below, with additional detail on the applicants and recommendations in Exhibit A (Summary and Ranking of CBO Applications), Exhibit B (Summary of City Applications), and Exhibit C (City Manager's Recommendations for Funding).

PROGRAM ADMINISTRATION $120,460

CITY CAPITAL PROJECTS ($247,105)

- Alley Drainage Improvements ($125,000)
- Hutchins Street Square – North Entrance ADA Improvements – Phase I ($106,105)
- Lodi Library Patio Awning ($16,000)

CITY SERVICE PROGRAMS ($42,000)

- Graffiti Abatement ($42,000)

CBO CAPITAL PROJECTS ($144,737)

- LOEL Center – 125 S. Washington Project – Phase III ($144,737)

CBO SERVICE PROGRAMS ($48,000)

- San Joaquin Fair Housing – Fair Housing Services ($18,000)
- Salvation Army – Tutoring and Mentoring Program ($20,000)
- Second Harvest Food Bank - Food Assistance Programs ($8,500)
- Emergency Food Bank – Mobile Farmer's Market ($1,500)

The Final Consolidated Plan document must be adopted and submitted to HUD no later than May 15, 2014 in order to receive funding beginning July 1, 2014. In the adoption of the documents, the City Council should authorize staff to make minor changes to the Consolidated Plan documents in response to comments received and deemed necessary by HUD.

FISCAL IMPACT: CDBG funds come from the federal government. Capital improvements allow for maintenance costs to be reduced. Administration costs are paid via a 20 percent set-aside of the grant funds.

FUNDING AVAILABLE: 2014/15 Community Development Block Grant

_____
Jordan Ayers, Deputy City Manager

_____
Steve Schwabauer
Interim Community Development Director

SS/jw

Attachments:

Exhibit A – Summary and Ranking of CBO Applications
Exhibit B – Summary of City Applications
Exhibit C – City Manager's Recommendations for 2014/15 Funding

SUMMARY AND RANKING OF 2014/15 CBO APPLICATIONS

Applicant	Project/Program	Ranking	Amount Requested	Public Service	Capital Improvement	Economic Development
	COMMUNITY-BASED ORGANIZATION APPLICATIONS					
Second Harvest	**Hunger Relief Programs** - Funding for the operation of the Food Assistance Program, the Senior Brown Bag Program, and the Food 4 Thought Program.	**104**	10,000.00	10,000.00		
Emergency Food Bank and Family Services	**Mobile Farmers' Market program** - The MFM is an existing program that provides access to fresh fruits and vegetables, healthy cooking demonstrations and health and nutrition-related information to low-income residents.	**101**	1,500.00	1,500.00		
Salvation Army	**Tutoring and Mentoring Program** - An after-school program out of the Salvation Army Lockeford Street facility that will operate between 3:00 and 5:00 on weekdays. The program will focus on tutoring, mentoring, character building, crafts and sports/recreational activities.	**100**	20,000.00	20,000.00		
Human Services Agency (SJ County)	**Home-Delivered Meals** - Elderly recipients have a package of five frozen meals delivered once a week.	**98**	5,000.00	5,000.00		
Small Business Development Center (Delta College)	**Small Business Assistance** - Provides confidential, individual and free business consulting to existing and prospective Lodi business owners, and monthly small business start up workshops.	**94**	5,000.00			5,000.00
Grace & Mercy Charitable Foundation	**Food Pantry and Meals Service -** Funding for the operation of a food pantry and hot meals service.	**89**	15,000.00	15,000.00		
San Joaquin Fair Housing	**Fair Housing Services** - HUD-mandated counseling services and outreach to tenants, property owners and property managers to satisfy HUD/CDBG requirement for affirmatively furthering fair housing.	**84**	18,000.00	18,000.00		
LOEL Foundation	**Phase III Site Improvements** - Continuation of project at 125 S. Washington. Phases I & II included the demolition of the old church building, preliminary site improvements that include off-street parking, ADA accessibility improvements and underground utilities that must be relocated, and a community garden and security fencing. Phase III proposes to complete the site improvements for additional off-street parking and driveway access off of Walnut Street.	**84**	159,950.00		159,950.00	
	TOTAL REQUESTS		**$ 234,450.00**	**69,500.00**	**159,950.00**	**5,000.00**

EXHIBIT A

CITY APPLICATIONS RECEIVED

Applicant	Project/Program	Amount	Public Service	Capital Improvement
	CITY APPLICATIONS			
LPD - Animal Services	**Spay and Neuter Program** - Sterilization for Feral cats trapped and released within the CDBG Target Area, as well as both friendly cats and pit-bull dogs from low income households.	20,000.00	20,000.00	
Public Works Dept.	**Graffiti Abatement -** The Public Works Department will abate graffiti on public and private property that is viewable from the public right-of-way and within the CDBG Target Area.	42,000.00	42,000.00	
Public Works Dept.	**Alley Drainage Improvements -** The Public Works Department will make improvements in the alleys riers to accessibility. The activities will be targeted in LMI areas and areas serving public facilities.	125,000.00		125,000.00
Parks, Recreation & Cultural Services	**Hutchins Street Square - North Entrance ADA - Phase I -** Improvements necessary to provide path of travel and to remove barriers to accessibility.	125,000.00		125,000.00
Parks, Recreation & Cultural Services	**Park Playground ADA Ramping -** Install ADA-compliant concrete ramping to transition from walkway to playground surfacing material and remove barriers to accessibility.	5,000.00		5,000.00
Lodi Library	**Lodi Library Patio Awning -** Replacement of the existing deteriorated shade structure on the west patio area.	16,000.00		16,000.00
	Total requests	**$ 333,000.00**	**$ 62,000.00**	**$ 271,000.00**

EXHIBIT B

2014/15
CITY MANAGER'S RECOMMENDATIONS FOR CDBG FUNDING

2014/15 CDBG Allocation	$602,302				
Program Administration (20%)	($120,460)				
Adjusted Balance	$481,842	**2014/15 CDBG Allocation**		**Cap Distribution**	
		60% City Set-Aside	40% CBO Set-Aside	15% Public Services	
Total Funding Available	**$481,842**	$289,105	$192,737	$90,345	
City Projects					
Alley Drainage Improvements	$125,000	$125,000			
HSS - North Entrance ADA - Phase I	$125,000	$106,105			
Park Playground ADA Ramping	$2,500	$0			
Lodi Library - Patio Projct	$16,000	$16,000			
City Service Programs					
Spay/Neuter Program	$20,000	$0		$0	
Graffiti Abatement	$42,000	$42,000		$42,000	
CBO Projects					
LOEL Center - Phase II 125 S. Washington (84)	$159,950		$144,737		
CBO Economic Development					
SBDC - Small Business Assistance (94)	$5,000		$0		
CBO Service Programs					
Second Harvest Food Bank (104)	$10,000		$10,000	$8,500	
EFB - Mobile Farmer's Market (101)	$1,500		$0	$1,500	
SA - Tutoring-Mentoring Program (100)	$20,000		$20,000	$20,000	
HSA - Home Delivered Meals (98)	$5,000		$0	$0	
Grace & Mercy Foundation - Pantry/Meals (89)	$15,000		$0	$0	
Fair Housing (84)	$18,000		$18,000	$18,000	
	$481,842	$289,105	$192,737	$90,000	
		$0	$0	$345	

EXHIBIT C

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE
FINAL 2014-2018 CONSOLIDATED PLAN FOR THE FEDERAL
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

==========

WHEREAS, the Department of Housing and Urban Development (HUD) has determined that the City of Lodi, California, is entitled to Community Development Block Grant (CDBG) as an entitlement community for fiscal year 2014-15 Federal allocation; and

WHEREAS, the City of Lodi has been notified that the 2014-15 CDBG allocation is $602,302; and

WHEREAS, the City of Lodi has held, with proper notification, a public hearing at the City Council meeting of May 7, 2014, to receive comments and proposals from the public regarding the projected use of CDBG funds and provided the public with adequate information concerning the amount of funds available for community development activities, the range of eligible activities, and other important requirements; and

WHEREAS, the City of Lodi, California, has received public input regarding the proposed use of CDBG funds; and

WHEREAS, staff therefore recommends the following allocations:

PROGRAM ADMINISTRATION $120,460

CITY CAPITAL PROJECTS ($247,105)

- Alley Drainage Improvements ($125,000)
- Hutchins Street Square – North Entrance ADA Improvements – Phase I ($106,105)
- Lodi Library Patio Awning ($16,000)

CITY SERVICE PROGRAMS ($42,000)

- Graffiti Abatement ($42,000)

CBO CAPITAL PROJECTS ($144,737)

- LOEL Center – 125 S. Washington Project – Phase III ($144,737)

CBO SERVICE PROGRAMS ($48,000)

- San Joaquin Fair Housing – Fair Housing Services ($18,000)
- Salvation Army – Tutoring and Mentoring Program ($20,000)
- Second Harvest Food Bank - Food Assistance Programs ($8,500)
- Emergency Food Bank – Mobile Farmer's Market (($1,500)

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby approve the final Consolidated Plan which includes the recommended 2014-15 Federal allocations of CDBG funds to the projects recommended by staff in the amount of $602,302 as indicated above.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

CITY OF LODI

LEGAL ADVERTISEMENT

ADVERTISING INSTRUCTIONS

SUBJECT: NOTICE OF PUBLIC HEARING FOR DISCUSSION OF POSSIBLE CDBG APPLICATIONS

PUBLISH (DATES): April 18, 2014

ACCT#: 20104930

TEAR SHEETS WANTED: 1 EXTRA (ONLY) DELIVER TO: Community Development Dept.

AFFIDAVIT & BILL TO: Community Development - CDBG
City of Lodi
221 W. Pine Street
Lodi, CA 95241

DATE: April 16, 2014 ORDERED BY: Joseph Wood

TITLE: Neighborhood Services Division Manager

DECLARATION OF POSTING

PUBLIC HEARING TO APPROVE THE FINAL 2014-2018 CONSOLIDATED PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

On Thursday, April 17, 2014, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to approve the Final 2014-2018 Consolidated Plan for the Community Development Block Grant Program (attached and marked as Exhibit A) was posted at the following locations:

Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 17, 2014, at Lodi, California.

ORDERED BY:

RANDI JOHL-OLSON
CITY CLERK

Jennifer M. Robison

JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK

N:\Administration\CLERK\Forms\DECPOSTCD.DOC

DECLARATION OF MAILING

PUBLIC HEARING TO APPROVE THE FINAL 2014-2018 CONSOLIDATED PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

On Thursday, April 17, 2014, in the City of Lodi, San Joaquin County, California, I deposited in the United States mail, envelopes with first-class postage prepaid thereon, containing a Notice of Public Hearing to approve the Final 2014-2018 Consolidated Plan for the Community Development Block Grant Program, attached hereto marked Exhibit A. The mailing list for said matter is attached hereto marked Exhibit B.

There is a regular daily communication by mail between the City of Lodi, California, and the places to which said envelopes were addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 17, 2014, at Lodi, California.

ORDERED BY:

RANDI JOHL
CITY CLERK, CITY OF LODI

Jennifer M. Robison

JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK

Forms/decmail.doc

EXHIBIT A

LEGAL NOTICE

NOTICE OF PUBLIC HEARING FOR DISCUSSION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

NOTICE IS HEREBY GIVEN that a public hearing will be held on Wednesday, May 7, 2014 at 7:00 p.m. or as soon thereafter as the matter may be heard, in the Lodi City Council Chambers, 305 West Pine Street, Lodi, CA 95241 in order to consider the Community Development Block Grant (CDBG) Program Consolidated Plan development process and to receive input regarding community needs and funding priorities. The City will be receiving $602,302 in CDBG funds for 2014/15.

The CDBG program provides funding for activities that benefit low-income persons, eliminate slum or blight, or serve an urgent need. Eligible activities include property acquisition, public improvements, housing rehabilitation, economic development, and public services.

The Consolidated Plan (Con Plan) is one of the three documents required to receive federal housing and community development funding through the Community Development Block Grant (CDBG) program. The overall goal of these housing and community development programs is to serve low- and moderate-income persons by developing viable urban communities through the following actions:

* Providing decent housing;
* Providing a suitable living environment; and
* Expanding economic opportunities.

The Consolidated Plan is the five-year plan for identifying and addressing community needs in the areas of Housing, Homelessness, Special Needs and Community Development. This Consolidated Plan will cover activities to be funded from 2014 through 2018. Incorporated into the proposed Consolidated Plan is the 2014/15 Annual Action Plan. The Action Plan generally describes how the City will utilize program funds for eligible activities during the fiscal year. The Action Plan can be amended as needed to reallocate funds to housing and community development activities.

Planning documents are available to the public for review and comment for at least 30 days before adoption by the City Council.

The purpose of this public hearing will be to give citizens an opportunity to make their comments known regarding community needs and potential activities to be funded under the CDBG Program. If you are unable to attend the public hearing, you may direct written comments to the City Clerk, City of Lodi, PO Box 3006, Lodi, CA 95241, or you may telephone (209) 333-6711. In addition, information is available for review at Lodi City Hall (221 West Pine Street) between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

Notice of Non-Discrimination on the Basis of Disability and Reasonable Accommodation

The City promotes fair housing and makes all its programs available to low- and moderate-income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status or handicap.

The City of Lodi does not discriminate in admission or access to, or treatment or employment in, its federally assisted programs and activities on the basis of disability. Reasonable accommodations will be made available to the disabled, upon request. Translators/Translation

services are also available upon request. Any questions, concerns or requests related to these Notices should be directed to the following person:

Joseph Wood, (209) 333-6800 x2467.

Neighborhood Services Manager
Joseph Wood

Dated: April 16, 2014

Name	Agency	Street	City	Email	Phone	12/12/12	01/09/13	Applied	notes
Captains Tory and Martin Ro	c/o Salvation Army, Lodi Corps	PO Box 1388	Lodi, CA 95241	martin.ross@usw.salvation	209-369-5896 x107				
Cheryl Francis	Grace and Mercy Charitable Foundation	PO Box 2236	Lodi, CA 95242	gracemercycharitablefund@	925-864-0183	x	x		
Dean Fujimoto	c/o SJC Human Services Agency	PO Box 201056	Stockton, CA 95201						
Mike Mallory	c/o Second Harvest Food Bank	704 E. Industrial Park Drive	Manteca, CA 95337-6116	ktapia@feedingamerica.org	209-239-2091				
Peggy Wagner	c/o San Joaquin County Fair Housing Association	436 N. El Dorado Street	Stockton, CA 95202	PeggyW@sjfairhousing.cor	(209) 451-3471				
Rebeca Knodt	c/o Emergency Food Bank of Stockton/San Joaquin	7 W. Scotts Avenue	Stockton, CA 95202	rknodt@stocktonfoodbank.c	209-464-7369				
Tracy Williams	c/o LOEL Foundation, Inc.	105 S. Washington Street	Lodi, CA 95240	tracy@loelcenter.net	209-368-2050	x	x	x	
Nate McBride	c/o Small Business Development Center	56 S. Lincoln Street	Stockton, CA 95203						

EXHIBIT B

AGENDA ITEM H-01

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Post for Expiring Terms on the Library Board of Trustees, Lodi Arts Commission, and Planning Commission and Re-Post for Existing Vacancies on the Lodi Arts Commission

MEETING DATE: May 7, 2014

PREPARED BY: City Clerk

RECOMMENDED ACTION: Direct the City Clerk to post for expiring terms on the Library Board of Trustees, Lodi Arts Commission, and Planning Commission and re-post for existing vacancies on the Lodi Arts Commission.

BACKGROUND INFORMATION: Several terms are due to expire on various boards and commissions. Therefore, it is recommended that the City Council direct the City Clerk to post for the following expiring terms as well as the existing vacancies on the Lodi Arts Commission. Government Code Section 54970 et seq. requires that the City Clerk post for vacancies to allow citizens interested in serving to submit an application.

Library Board of Trustees

Charlene Martin	Term to expire June 30, 2014

Lodi Arts Commission

Catherine Metcalf	Term to expire July 1, 2014

REPOST

One Vacancy	Term to expire July 1, 2014
One Vacancy	Term to expire July 1, 2016

Planning Commission

Nick Jones	Term to expire June 30, 2014

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Randi Johl-Olson
City Clerk

RJO/JMR

APPROVED: _____
Stephen Schwabauer, Interim City Manager

council/councom/Posting1.doc

AGENDA ITEM I-01

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Appointing Stephen Schwabauer as City Manager and Approving the Related Employment Agreement

MEETING DATE: May 7, 2014

PREPARED BY: Mayor

RECOMMENDED ACTION: Adopt Resolution Appointing Stephen Schwabauer as City Manager and Approving the Related Employment Agreement.

BACKGROUND INFORMATION: A draft employment agreement with Stephen Schwabauer for Council consideration is attached.

.

FUNDING: No cost in excess of current budget.

FISCAL IMPACT: Funding as provided in current budget.

_____
Phil Katzakian
Mayor

Attachments: Resolution and Employment Agreement.

APPROVED: _____
Phil Katzakian, Mayor

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL
APPOINTING STEPHEN SCHWABAUER TO THE
POSITION OF CITY MANAGER AND APPROVING
EMPLOYMENT AGREEMENT

==========

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby appoint Stephen Schwabauer to the position of City Manager for the City of Lodi; and

BE IT FURTHER RESOLVED that the City Council does hereby approve the City Manager Employment Agreement attached hereto marked as Exhibit A.

Dated: May 7, 2014
==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

EXHIBIT A

CITY MANAGER EMPLOYMENT AGREEMENT

This Agreement is made and entered into as of May 7, 2014, by and between the City of Lodi, a municipal corporation, hereinafter called "City" and Stephen Schwabauer, hereinafter called "Employee," both of whom agree as follows:

RECITALS:

It is the desire of the City to retain the services of Employee and to provide inducement for him to remain in such employment, make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security, and to provide a just means for terminating Employee's services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. GENERAL:

City agrees to employ Employee as the City Manager of City starting May 7, 2014, and Employee agrees to perform the functions and duties the City Council shall from time to time assign to him.

2. DUTIES & AUTHORITY:

Employee has the duty to:

(a) Perform the functions and duties of a City Manager as specified in the California Government Code, City Ordinances, Resolutions, Rules and Regulations and other state and local statutes;

(b) Perform all legally permissible and proper duties and functions as the City Council shall assign. Such duties may be modified from time to time upon such terms as are mutually agreeable to City and Employee;

(c) Employee shall administer and enforce policies established by the City Council and promulgate rules and regulations as necessary to implement City Council policies;

(d) Attend City Council meetings as needed by the City Council; and

(e) Review all documents prior to agendizing for any special and/or regular meetings of the City Council. Employee may make recommendations to the Mayor concerning the endorsement of or opposition to any proposed agenda items. If, in the opinion of Employee and the Mayor, an item is inappropriate for consideration or is inadequately prepared, it shall not be agendized but returned

immediately to the person who submitted it with the reason for rejection. This paragraph shall not limit the right of any City Council member to agendize any item, provided City Council rules and procedures are complied with.

3. EXCLUSIVE EMPLOYMENT:

(a) Employee has the duty and herein commits to devote his full time and energies in the best interest of the City, and to act in accordance with the duties and responsibilities of the position of City Manager.

(b) Employee shall not accept employment from or on behalf of any person, firm, corporation or entity during the term of this Agreement except as approved in writing by the City Council. The foregoing shall not be construed to prevent Employee from performing volunteer community service, provided Employee shall, prior to performing such services, disclose such anticipated services to the City Council and obtain its approval. Any approved outside services shall not create nor tend to create a disqualifying conflict of interest as defined by the California Political Reform Act of 1974, as amended, nor shall such services impair Employee's ability to fully perform his duties for City hereunder.

4. EMPLOYEE COMMITMENTS:

(a) Specific Tasks and Work Plans – Employee agrees to accomplish specific tasks as specified and described by the City Council from time to time in a timely and professional manner. Such specific tasks shall be discussed with Employee and then adopted by motion by the City Council as frequently as the City Council may choose.

(b) Hours of Work – Employee is an exempt employee who does not accrue compensatory time off, but is expected to engage in those hours of work which are necessary to fulfill the obligations of his position. Employee does not have set hours of work as he is expected to be available at all times. It is recognized that Employee must devote a great deal of his time outside "normal office hours" to the business of the City, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. The Employee has discretion as to his work schedule.

5. CITY COMMITMENTS:

(a) City shall provide Employee with an office, support staff, office equipment, supplies and all other facilities and services adequate for the performance of his duties.

(b) City shall pay for, or provide, Employee reimbursement of actual business expenses. The City shall provide Employee with a City credit card to charge

appropriate and lawful business expenses up to the amount provided for in the City budget.

(c) City shall pay such professional dues, subscriptions and memberships in such organizations necessary for Employee to maintain professional relationships in appropriate national, regional, state and local associations and organizations necessary and desirable for his continued professional growth and advancement and benefit to the City. Such memberships shall include, but not be limited to, ICMA, and the California City Management Foundation.

(d) City agrees to pay travel and subsistence expenses of Employee to pursue official and other functions for the City, and meetings and occasions to continue the professional development of Employee, including but not limited to Annual Conferences of the League of California Cities and other national, regional, state, and local conferences, and governmental groups and committees upon which Employee serves as a member up to an amount provided for in the City budget.

6. MUTUAL COMMITMENTS:

Performance Evaluation – Annual performance evaluations are an important way for the City Council and Employee to ensure effective communications about expectations and performance. The City Council recognizes that for Employee to respond to their needs and to grow in the performance of his job, he needs to know how the City Council Members think he is performing. To assure Employee gets this feedback, the City Council commits to:

(a) Conduct an evaluation of Employee's performance at least annually, or on any other schedule deemed appropriate by the City Council. The City Council may use an outside facilitator to assist them in conducting this evaluation.

(b) The annual review and evaluation shall be in accordance with specific criteria developed jointly by the City Council and Employee. Such criteria may be added to or deleted as the City Council may from time to time determine in consultation with Employee.

(c) The City Council and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the City for the attainment of the City Council's policy objectives. The City Council and Employee shall further establish a relative priority among those various goals and objectives.

7. COMPENSATION:

City agrees to provide the following compensation to Employee during the term of the Agreement:

(a) Base Salary – Employee shall be paid an annual salary of $179,025.00 per year, which sum may be adjusted from time to time as provided in this Agreement by action of the City Council, payable in twenty-six (26) equal installments in the same manner as City department heads.

(b) City agrees that Employee shall at all times be the highest paid City employee. Pay for purposes of this paragraph shall be measured as the sum of salary, health benefits and retirement benefits (deferred compensation and PERS) but shall not include any other benefits or overtime compensation. Salaries approved by the City Manager through authority derived from the City Council will not trigger this salary differential provision (i.e., only salaries originated, directly reviewed and approved by the City Council will trigger this provision).

(c) The City shall pay all traditional employer costs required by law, including but not limited to: FICA, Medicare, Unemployment Compensation, and Workers' Compensation.

(d) Future annual adjustments to Employee's salary shall be set by City Council action. City may not reduce salary or benefits provided by this Agreement unless:

(i) it does so on a Citywide (all employees) basis, and then in no greater percentage than the average reduction of all City employees, or

(ii) it does so after providing Employee with a written negative performance evaluation that provides direction and opportunity for improvement prior to any action to reduce salary or benefits.

8. AUTOMOBILE:

Employee shall not be provided an automobile or automobile allowance. Employee shall be reimbursed for travel expenses in accordance with City's travel policies.

9. GENERAL EXPENSES:

Employee shall also be reimbursed by City for reasonable out of pocket expenses incurred in the course and scope of his employment in accordance with City reimbursement policies.

10. BASIC BENEFITS:

(a) Holidays - Employee shall receive 36 floating hours of paid leave and nine and one half (9 ½) paid fixed holidays per year credited in the same manner as all other City employees.

(b) Vacation Leave – Employee's vacation shall be calculated as if he were in his fifteenth year of continuous city service (i.e. Employee will receive 160.16 hours)

of paid vacation leave per year) increasing from there as provided in the Executive Management Statement of Benefits, as it may be amended from time to time by the City Council. Upon termination or resignation of employment, Employee or those entitled to his estate, shall receive a lump sum payment for unused or accumulated vacation time to his credit at his rate of pay as of his date of termination.

(c) Sick Leave - Employee shall be granted 12 days of sick leave per year which will accrue at a rate of 3.70 hours per pay period with no limit on the amount that can be accumulated.

(d) Administrative Leave - Employee shall be granted eighty (80) hours of administrative leave per year. Upon termination or resignation of employment, Employee or those entitled to his estate, shall receive a lump sum payment for unused or accumulated administrative leave to his credit at his rate of pay as of his date of termination.

(e) Other terms and conditions – Except as otherwise provided herein, all provisions of the City of Lodi Municipal Code, official policies and regulations and rules of the City relating to disability, incapacity, vacation, holidays, retirement systems contributions, and other fringe benefits and working conditions as they now exist or hereafter may be amended also shall apply to Employee as they would to other executive management employees of City in addition to said benefits set out in this Agreement.

11. INSURANCE:

(a) Medical Insurance: Employee shall receive family dental insurance, long term disability, chiropractic insurance and any other similar benefit which may be made available to Employee by the City as outlined in the City of Lodi Executive Management Statement of Benefits, as it may be amended from time to time by the City Council. The Statement of Benefits or Council Resolution describes these benefits and any applicable deductibles.

Employee shall also receive medical insurance for employee and dependents through Cal-PERS-Medical Plans. City shall pay 100% of the premium for employee's family category (Family, Employee+1, Single) for the lowest cost PERS HMO available in the City of Lodi's geographic area (excluding PORAC) as of January 1, 2014.

If employee selects a higher cost medical plan, employee will pay the difference as a payroll deduction. If employee elects not to be covered by medical insurance through the City, an additional $692.81 per month for Family or $532.92 for Employee+1 or $305.22 for a Single employee, will be added to either the employee's deferred compensation account or paid in cash. In order to qualify for this 'cash-out' provision, proof of group insurance coverage must be provided to

the City.

Employee will pay 100% of the change in medical costs beginning January 1, 2015. The baseline will be the January 1, 2014 lowest costs PERS HMO for the employee's family category (Family, $1,709.06; Employee+1, $1,314.66; Single, $657.33).

(b) Deferred Compensation: Employee may participate in the City's Deferred Compensation plan. The City will match up to a percentage equal to the highest amount provided to any bargaining group.

(c) Life Insurance: Employee shall receive Life Insurance as provided in the Executive Statement of Benefits, as it may be amended from time to time by the City Council.

12. RETIREMENT:

City is a full member of the Public Employees Retirement System (PERS) to which City agrees to contribute to Employee's retirement account the total amount required by it. Employee shall contribute Employee's contribution of seven (7) percent of salary to the membership contract with PERS for each pay period.

13. SEPARATION:

(a) Resignation – In the event Employee terminates this Agreement by voluntary resignation of his position with the City, Employee shall not be entitled to severance pay otherwise provided in Paragraph 14 of this Agreement. In the event Employee voluntarily resigns his position with City, he shall give City at least forty-five (45) days advance written notice and shall be entitled to all earned salary and all earned, accrued, and unused leave (vacation, sick, administrative, and holiday) in the manner as all other City employees.

(b) Termination & Removal – The City Council may remove Employee with or without cause, by a majority vote of its members. Notice of termination shall be provided to Employee in writing. Any such notice of termination shall be given at a noticed meeting of the City Council. Employee shall not be removed during the first 120 days following any change in membership of the City Council, except upon four-fifths vote of the City Council. Given the at-will nature of the position of City Manager, an important element of the employment Agreement pertains to termination. It is in both the City's interest and that of Employee that separation of Employee be done in a businesslike manner.

14. TERMINATION AND SEVERANCE:

In the event Employee is terminated by the City Council, City agrees to pay to Employee a lump sum cash payment equal to six (6) months salary and to continue

to pay Employee's health insurance benefits on the same terms set forth in Paragraph 11(a) of this Agreement for six (6) months from the Employee's date of termination. In all cases such payments shall be subject to all rules and regulations governing income tax withholding. However, notwithstanding the above, if Employee is terminated due to retirement, insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to him, or a breach of this Agreement, City shall have no obligation to pay any severance provided in this Paragraph 14. In the event employee is convicted of a crime involving abuse of his office or position, as described in Paragraph 19, Employee shall reimburse City for any severance pay paid to Employee under this Paragraph 14.

15. EMPLOYMENT TERM:

(a) Employee is an "at will" employee and shall serve at the pleasure of the City Council.

(b) Except as provided in Paragraph 14, nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of the City Council to terminate the services of Employee.

(c) Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his position as City Manager, subject only to the provisions set forth in Paragraph 13 of this Agreement.

16. MODIFICATIONS:

No modification of this Agreement shall be valid unless said modification is in writing and signed by the party to be charged.

17. CONFLICT OF INTEREST:

Because of the duties and role of Employee on behalf of the City and its citizenry, Employee shall not, during the term of this Agreement, individually, as a partner, joint venturer, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of City, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without the prior approval of the City Council.

Employee shall also be subject to the conflict of interest provisions of the California Government Code and any conflict of interest code applicable to his City employment. Employee is responsible for submitting to the City Clerk the Appropriate Conflict of Interest Statements at the time of appointment, annually thereafter, and at the time of separation from the position.

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18. INDEMNIFICATION:

In accordance with and subject to the provisions of California's Government Claims Act (Government Code §825 et seq.), and any other applicable law, City shall defend, indemnify, and hold harmless Employee in any civil action against and for all losses sustained by Employee in direct consequence of the discharge of his duties on the City's behalf for the period of his employment. City shall defend, indemnify, and hold harmless Employee against any tort, professional liability claim or demand or other civil legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of his duties as City Manager. City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. Whenever Employee shall be sued for damages arising out of the performance of his duties, the City may provide defense counsel for Employee in such suit and indemnify him from any judgment rendered against him; provided that such indemnity shall not extend to any judgment for damages arising out of any willful wrongdoing. Said indemnification shall extend beyond termination of employment and the otherwise expiration of this Agreement to provide protection for any such acts undertaken or committed in his capacity as City Manager, regardless of whether the notice of filing of a lawsuit occurs during or following employment with the City.

19. ABUSE OF OFFICE:

Any severance payments or cash settlement paid in relation to the termination of this Agreement, pursuant to Paragraph 14, and any legal criminal defense payments made by the City in the defense of Employee, if any, are subject to, and shall be interpreted to comply with, the limitations set forth in Government Code section 53260, concerning the maximum cash settlement in an employment contract, and Government Code sections 53243 through 53243.4, limiting and/or restricting payment or continued retention of severance payments and/or legal criminal defense payments should Employee be convicted of a crime involving an abuse of office or position. "Abuse of office or position" for purposes of this Agreement, shall be as defined in Government Code section 53243.4 which provides: '"abuse of office or position' means either of the following: (a) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority. (b) A crime against public justice, including, but not limited to, a crime described in Title 5 (commencing with Section 67) or Title 7 (commencing with Section 92) of Part 1 of the Penal Code."

20. ATTORNEY'S FEES:

If either of the parties hereto brings any action or proceeding against the other, including but not limited to, an action to enforce or to declare the termination, cancellation or revision of the Agreement, the prevailing party in such action or

proceedings shall be entitled to receive from the other party all reasonable attorney's fees and costs, incurred in connection therewith. In the event either party shall initiate any suit, action, or appeal on any matter related to this Agreement, then the court before whom such suit, action, or appeal is taken shall award to the prevailing party such attorney's fees as the court shall deem reasonable, and such award and all allowable costs of the event may be either added to or deducted from the balance due under this Agreement or be a separate obligation as appropriate.

21. SEVERABILITY:

If any provision, or any portion of any provision of this contract is held to be unconstitutional, invalid, or unenforceable, the remainder of this agreement, or portion hereof, shall be deemed severable and shall not be affected, but shall remain in full force and effect.

22. INTEGRATED AGREEMENT:

This writing contains the entire agreement between the parties and all prior or contemporaneous agreements, understandings or discussions relative to this Agreement are hereby superseded.

23. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Lodi, California.

24. NOTICES:

All written notices required pursuant to this agreement shall be delivered to: City Clerk, P.O. Box 3006, Lodi, CA 95241 or City Hall, 221 West Pine Street, Lodi, CA 95240; and Stephen Schwabauer, P.O. Box 3006, Lodi, CA 95241 or City Hall, 221 W. Pine Street, Lodi, CA 95240.

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25. EXECUTION:

IN WITNESS WHEREOF, the City Council of the City of Lodi has caused this Agreement to be signed and executed on its behalf by the Mayor, and Employee has signed and executed this Agreement as of the day and year first above written.

CITY OF LODI, a municipal corporation:

By:_____
Phil Katzakian
Mayor

Attest:

_____
Randi Johl-Olson
City Clerk

EMPLOYEE:

_____
Stephen Schwabauer
City Manager

Approved as to Form:

_____
Janice D. Magdich
Interim City Attorney

AGENDA ITEM I-02

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Appointing Janice D. Magdich as City Attorney and Approving the Related Employment Agreement

MEETING DATE: May 7, 2014

PREPARED BY: Mayor

RECOMMENDED ACTION: Adopt Resolution Appointing Janice D. Magdich as City Attorney and Approving the Related Employment Agreement.

BACKGROUND INFORMATION: A draft employment agreement with Janice D. Magdich for Council consideration is attached.

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FUNDING: No cost in excess of current budget.

FISCAL IMPACT: Funding as provided in current budget.

_____
Phil Katzakian
Mayor

Attachments: Resolution and Employment Agreement.

APPROVED: _____
Phil Katzakian, Mayor

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL
APPOINTING JANICE D. MAGDICH TO THE POSITION OF
CITY ATTORNEY AND APPROVING EMPLOYMENT
AGREEMENT

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby appoint Janice D. Magdich to the position of City Attorney for the City of Lodi; and

BE IT FURTHER RESOLVED that the City Council does hereby approve the City Attorney Employment Agreement attached hereto marked as Exhibit A.

Dated: May 7, 2014
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I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

EXHIBIT A

CITY ATTORNEY EMPLOYMENT AGREEMENT

This Agreement is made and entered into as of May 7, 2014 by and between the City of Lodi, a municipal corporation, hereinafter called "City," and Janice D. Magdich, hereinafter called "Employee," both of whom agree as follows:

RECITALS:

It is the desire of the City to retain the services of Employee and to provide inducement for her to remain in such employment, make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security, and to provide a just means for terminating Employee's services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. **GENERAL:**

   City agrees to employ Employee as the City Attorney of City starting May 7, 2014, and Employee accepts such employment and agrees to perform the functions and duties of City Attorney for the City as she may be assigned.

2. **DUTIES & AUTHORITY:**

   Employee has the duty to:

   (a) Perform the functions and duties of City Attorney as specified in applicable statutes including, but not limited to, the California Government Code, Rules of Professional Conduct for Attorneys, and City Ordinances, Resolutions, Rules, and Regulations, as well as all other applicable federal, state, and local laws;

   (b) Provide legal advice, counsel, and representation of the City as requested by appropriate City officials and/or the City Council;

   (c) Perform all legally permissible and proper duties as may be assigned and as may be modified from time to time; and

   (d) Employee, in coordination with the City Manager, shall recommend policies, rules, and regulations to implement City Council policies and shall enforce policies established by the City Council. To accomplish this, Employee shall

      (1) Attend City Council meetings as needed or required by the City Council.

      (2) Review all documents agendized for any regular and/or special meetings of the City Council. Employee shall provide legal advice and counsel, and make recommendations in connections with such advice and counsel, to the City Manager and City Council concerning items on the City Council's agenda.

3. EXCLUSIVE EMPLOYMENT:

(a) Employee has the duty and herein commits to devote her full time and energies in the best interest of the City, and to act in accordance with the duties and responsibilities of the position of City Attorney as specified in Lodi Municipal Code section 2.14.010, as well as other duties assigned by the City Council which reasonably relate to the position of City Attorney.

(b) Employee shall not accept employment from or on behalf of any person, firm, corporation or entity during the term of this Agreement, except City acknowledges that Employee may engage in other professional activities (including teaching and writing), so long as these activities do not interfere or conflict with Employee's duties as City Attorney. The foregoing shall not be construed to prevent Employee from performing volunteer community service, participating in community service organizations, Employee's membership on non-profit boards, or managing personal and real property investments, provided Employee shall, prior to performing such services, disclose such anticipated services to the City Council and obtain its approval. Any approved outside services shall not create nor tend to create a disqualifying conflict of interest as defined by the California Political Reform Act of 1974, as amended, nor shall such services impair Employee's ability to perform fully her duties for City hereunder.

4. EMPLOYEE COMMITMENTS:

(a) Specific Tasks and Work Plans – Employee agrees to accomplish specific tasks as specified and described by the City Council from time to time in a timely and professional manner. Such specific tasks shall be discussed with Employee and then adopted by motion by the City Council as frequently as the City Council may choose.

(b) Hours of Work – Employee is an exempt employee who does not accrue compensatory time off, but is expected to engage in those hours of work which are necessary to fulfill the obligations of her position. Employee does not have set hours of work as she is expected to be available at all times. It is recognized that Employee must devote a great deal of her time outside "normal office hours" to the business of the City, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. The Employee has discretion as to her work schedule.

5. CITY COMMITMENTS:

(a) City shall provide Employee with an office, support staff, office equipment, supplies, and all other facilities and services adequate for the performance of her duties.

(b) City shall pay for, or provide, Employee reimbursement of actual business expenses. The City shall provide Employee with a City credit card to charge appropriate and lawful business expenses up to the amount provided for in the City budget.

(c) City shall pay for Employee's California State Bar dues, including membership in the Public Law Section, San Joaquin County Bar Association dues, legal subscriptions, and Minimum Continuing Legal Education (MCLE) expenses.

(d) City agrees to pay travel and subsistence expenses of Employee to pursue official and other functions for the City, and meetings and occasions to continue the professional development of Employee, including, but not limited to, annual conferences of the League of California Cities, including the annual conference of the League's City Attorney's Division, and other national, regional, state, and local conferences, and governmental groups and committees upon which Employee serves as a member up to an amount provided for in the City budget.

6. MUTUAL COMMITMENTS:

Performance Evaluation – Annual performance evaluations are an important way for the City Council and Employee to ensure effective communications about expectations and performance. The City Council recognizes that for Employee to respond to its needs and to grow in the performance of her job, she needs to know how the City Council Members think she is performing. To assure Employee gets this feedback, the City Council commits to:

(a) Conduct an evaluation of Employee's performance at least annually, or on any other schedule deemed appropriate by the City Council. The City Council may use an outside facilitator to assist them in conducting this evaluation.

(b) The annual review and evaluation shall be in accordance with specific criteria developed jointly by the City Council and Employee. Such criteria may be added to or deleted as the City Council may from time to time determine in consultation with Employee.

(c) The City Council and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the City for the attainment of the City Council's policy objectives. The City Council and Employee shall further establish a relative priority among those various goals and objectives.

7. COMPENSATION:

City agrees to provide the following compensation to Employee during the term of this Agreement:

(a) Base Salary – Employee shall be paid an annual salary of $140,000 per year, which sum may be adjusted from time to time as provided in this Agreement by action of the City Council, payable in twenty-six (26) equal installments in the same manner as City department heads. In recognition of the ongoing contributions of Employee, and in the interest of retaining Employee's future services, Employee's salary, as set forth herein, shall be effective as of February 5, 2014.

(b) The City shall pay all traditional employer costs required by law, including but not limited to: FICA, Medicare, Unemployment Compensation, and Workers' Compensation.

(c) Future annual adjustments to Employee's salary shall be set by City Council action. City may not reduce salary or benefits provided by this Agreement unless:

(i) it does so on a Citywide (all employees) basis, and then in no greater percentage than the average reduction of all City employees, or

(ii) it does so after providing Employee with a written performance evaluation that provides direction and opportunity for improvement prior to any action to reduce salary or benefits.

8. AUTOMOBILE:

Employee shall not be provided an automobile or automobile allowance. Employee shall be reimbursed for travel expenses in accordance with City's travel policies.

9. GENERAL EXPENSES:

Employee shall also be reimbursed by City for reasonable out-of-pocket expenses incurred in the course and scope of her employment in accordance with City reimbursement policies.

10. BASIC BENEFITS:

(a) Holidays – Employee shall receive 36 floating hours of paid leave and nine and one half (9½) paid fixed holidays per year credited in the same manner as all other City employees.

(b) Vacation Leave – In recognition of the ongoing contributions of Employee, and in the interest of retaining Employee's future services, Employee's vacation leave shall be calculated as if she were in her fifteenth year of continuous service to the City (i.e. Employee will receive 160.16 hours of paid vacation leave per year), increasing from there as provided in the Executive Management Statement of Benefits, as it may be amended from time to time by the City Council. Upon termination or resignation of employment, Employee or those entitled to her estate, shall receive a lump sum payment for unused or accumulated vacation time to her credit at her rate of pay as of her date of termination.

(c) Sick Leave – Employee shall be granted twelve (12) days of sick leave per year which will accrue at a rate of 3.70 hours per pay period with no limit on the amount that can be accumulated.

(d) Administrative Leave – Employee shall be granted eighty (80) hours of administrative leave per year. Upon termination or resignation of employment, Employee or those entitled to her estate, shall receive a lump sum payment for unused or accumulated administrative leave to her credit at her rate of pay as of her date of termination.

(e) Other terms and conditions – Except as otherwise provided herein, all provisions of the City of Lodi Municipal Code, official policies, and regulations and rules of the City relating to disability, incapacity, vacation, holidays, retirement systems contributions, and other fringe benefits and working conditions as they now exist or hereafter may be

amended also shall apply to Employee as they would to other executive management employees of City in addition to said benefits set out in this Agreement.

11. INSURANCE:

(a) Medical Insurance: Employee shall receive family dental insurance, long-term disability, chiropractic insurance, and any other similar benefit which may be made available to Employee by the City as outlined in the City of Lodi Executive Management Statement of Benefits, as it may be amended from time to time by the City Council. The Statement of Benefits or Council Resolution describes these benefits and any applicable deductibles.

Employee shall also receive medical insurance for employee and dependents through Cal-PERS-Medical Plans. City shall pay 100% of the premium for Employee's family category (Family, Employee+1, Single) for the lowest cost PERS HMO available in the City of Lodi's geographic area (excluding PORAC) as of January 1, 2014.

If Employee selects a higher cost medical plan, Employee will pay the difference as a payroll deduction. If Employee elects not to be covered by medical insurance through the City, an additional $692.81 per month for Family or $532.92 for Employee+1 or $305.22 for a Single employee, will be added to either the Employee's deferred compensation account or paid in cash. In order to qualify for this 'cash-out' provision, proof of group insurance coverage must be provided to the City.

Employee will pay 100% of the change in medical costs beginning January 1, 2015. The baseline will be the January 1, 2014 lowest costs PERS HMO for the Employee's family category (Family, $1,709.06; Employee+1, $1,314.66; Single, $657.33).

(b) Deferred Compensation: Employee may participate in the City's Deferred Compensation plan. The City will match up to a percentage equal to the highest amount provided to any bargaining group.

(c) Life Insurance: Employee shall receive Life Insurance as provided in the Executive Statement of Benefits, as it may be amended from time to time by the City Council.

12. RETIREMENT:

City is a full member of the Public Employees Retirement System (PERS) to which City agrees to contribute to Employee's retirement account the total amount required by it. Employee shall contribute Employee's contribution of seven percent (7%) to the membership contract with PERS for each pay period.

13. SEPARATION:

(a) Resignation – In the event Employee terminates this Agreement by voluntary resignation of her position with the City, Employee shall not be entitled to severance pay otherwise provided in Paragraph 14 of this Agreement. In the event Employee voluntarily resigns her position with City, she shall give City at least forty-five (45) days' advance written notice and shall be entitled to all earned salary and all earned, accrued, and unused leave

(vacation, sick, administrative, and holiday) in the same manner as all other City employees.

(b) Termination & Removal – The City Council may remove Employee with or without cause, by a majority vote of its members. Notice of termination shall be provided to Employee in writing. Any such notice of termination shall be given at a noticed meeting of the City Council. Employee shall not be removed during the first 120 days following any change in membership of the City Council, except upon four-fifths vote of the City Council. Given the at-will nature of the position of City Attorney, an important element of the employment Agreement pertains to termination. It is in both the City's interest and that of Employee that separation of Employee be done in a businesslike manner.

14. TERMINATION AND SEVERANCE:

In the event Employee is terminated by the City Council, City agrees to pay to Employee a lump sum cash payment equal to six (6) months' salary and to continue to pay Employee's health insurance benefits on the same terms set forth in Paragraph 11(a) of this Agreement for six (6) months from the Employee's date of termination. In all cases such payments shall be subject to all rules and regulations governing income tax withholding. Notwithstanding the above, if Employee is terminated due to retirement, or for cause, which shall include, insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to her, or a breach of this Agreement, City shall have no obligation to pay any severance provided in this section. In the event Employee is convicted of a crime involving abuse of her office or position, Employee shall reimburse City for any severance pay paid to Employee under this paragraph, as further provided in paragraph 19. In the event Employee is terminated for reasons other than for cause, City shall reasonably endeavor, but shall not be required, to provide Employee a minimum of fourteen (14) days' written notice in advance of termination.

15. EMPLOYMENT TERM:

(a) Employee is an "at will" Employee and shall serve at the pleasure of the City Council.

(b) Except as provided in Paragraph 14, nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of the City Council to terminate the services of Employee.

(c) Nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of Employee to resign at any time from her position as City Attorney, subject only to the provisions set forth in Paragraph 13 of this Agreement.

16. MODIFICATIONS:

No modification of this Agreement shall be valid unless said modification is in writing and signed by the party to be charged.

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17. CONFLICT OF INTEREST:

Because of the duties and role of Employee on behalf of the City and its citizenry, Employee shall not, during the term of this Agreement, individually, as a partner, joint venturer, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of City, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without the prior approval of the City Council.

Employee shall also be subject to the conflict of interest provisions of the California Government Code and any conflict of interest code applicable to her City employment. Employee is responsible for submitting to the City Clerk the Appropriate Conflict of Interest Statements at the time of appointment, annually thereafter, and at the time of separation from the position.

18. INDEMNIFICATION:

In accordance with and subject to the provisions of California's Government Claims Act (Government Code §825, et seq.) and any other applicable law, City shall defend, indemnify, and hold harmless Employee in any civil action against and for all losses sustained by Employee in direct consequence of the discharge of her duties on the City's behalf for the period of her employment. City shall defend, indemnify, and hold harmless Employee against any tort, professional liability claim or demand or other civil legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of her duties as City Attorney. City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. Whenever Employee shall be sued for damages arising out of the performance of her duties, the City may provide defense counsel for Employee in such suit and indemnify her from any judgment rendered against her; provided that such indemnity shall not extend to any judgment for damages arising out of any willful wrongdoing. Said indemnification shall extend beyond termination of employment and the otherwise expiration of this Agreement to provide protection for any such acts undertaken or committed in her capacity as City Attorney, regardless of whether the notice of filing of a lawsuit occurs during or following employment with the City.

19. ABUSE OF OFFICE

Any severance payments or cash settlement paid in relation to the termination of this Agreement, and any legal criminal defense payments made by the City in the defense of Employee, if any, are subject to, and shall be interpreted to comply with, the limitations set forth in Government Code section 53260, concerning the maximum cash settlement in an employment contract, and Government Code sections 53243 through 53243.4, limiting and/or restricting payment or continued retention of severance payments and/or legal criminal defense payments should Employee be convicted of a crime involving an abuse of office or position. "Abuse of office or position" for purposes of this Agreement, shall be as defined in Government Code section 53243.4 which provides: "'abuse of office or position' means either of the following: (a) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority. (b) A crime against

public justice, including, but not limited to, a crime described in Title 5 (commencing with Section 67) or Title 7 (commencing with Section 92) of Part 1 of the Penal Code."

20. ATTORNEY'S FEES:

If either of the parties hereto brings any action or proceeding against the other, including but not limited to, an action to enforce or to declare the termination, cancellation or revision of this Agreement, the prevailing party in such action or proceedings shall be entitled to receive from the other party all reasonable attorney's fees and costs, incurred in connection therewith. In the event either party shall initiate any suit, action, or appeal on any matter related to this Agreement, then the court before whom such suit, action, or appeal is taken shall award to the prevailing party such attorney's fees as the court shall deem reasonable, and such award and all allowable costs of the event may be either added to or deducted from the balance due under this Agreement or be a separate obligation as appropriate.

21. SEVERABILITY:

If any provision, or any portion of any provision of this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion hereof, shall be deemed severable and shall not be affected, but shall remain in full force and effect.

22. INTEGRATED AGREEMENT:

This writing contains the entire agreement between the parties and all prior or contemporaneous agreements, understandings or discussions relative to this Agreement are hereby superseded.

23. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that the venue for resolving any dispute regarding this Agreement shall be in San Joaquin County, California.

24. NOTICES:

All written notices required pursuant to this Agreement shall be delivered to: City Clerk, P.O. Box 3006, Lodi, CA 95241 or City Hall, 221 West Pine Street, Lodi, CA 95240; and Janice D. Magdich, City Attorney, P.O. Box 3006, Lodi, CA 95241 or City Hall, 221 West Pine Street, Lodi, CA 95240.

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25. EXECUTION:

IN WITNESS WHEREOF, the City Council of the City of Lodi has caused this Agreement to be signed and executed on its behalf by the Mayor and Employee has signed and executed this Agreement as of the day and year first above written.

CITY OF LODI, a municipal corporation:

By:_____
Phil Katzakian
Mayor

Attest:

_____
Randi Johl-Olson
City Clerk

EMPLOYEE:

_____
Janice D. Magdich
City Attorney

Approved as to Form:

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation

By:_____
Jonathan P. Hobbs
Attorney to the City of Lodi

AGENDA ITEM I-03

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving Addendum to Employment Agreement with City Clerk, by Adding Standalone Legislative Job Duties, Reclassifying the Position as City Clerk/Legislative Affairs Officer and Adjusting Salary

MEETING DATE: May 7, 2014

PREPARED BY: Mayor

RECOMMENDED ACTION: Adopt Resolution approving addendum to employment agreement with City Clerk, by adding standalone legislative job duties, re-classifying the position as City Clerk/Legislative Affairs Officer and adjusting salary.

BACKGROUND INFORMATION: At its Closed Session on April 2, 2014 Council reviewed the City Clerk and City Attorney positions after dismissing Council Appointees. Following the conclusion of the meeting, the Council gave the Interim City Manager direction to agendize an item to permit the Council to reclassify the City Clerk position to City Clerk/Legislative Affairs Officer and adjust the salary for the reclassified position retroactive to February 5, 2014. The standalone legislative job duties are set forth in the attached job description. The City Attorney's office drafted the attached addendum to the City Clerk's employment agreement reclassifying the position and reflecting a salary increase to $116,384.00.

FISCAL IMPACT: 2013-14 $7,440 to General Fund; 2014-15 $18,596 to General Fund

FUNDING AVAILABLE: 2013-14, savings from vacant part time position; 2014-15, to be determined during budget review.

_____
Phil Katzakian
Mayor

Attachment

APPROVED: _____
Phil Katzakian, Mayor

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING RECLASSIFICATION AND SALARY
ADJUSTMENT FOR CITY CLERK

==========

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the reclassification of the City Clerk to the position of City Clerk/Legislative Affairs Officer, the attached Addendum to the City Clerk Employment Agreement, and a salary adjustment to $116,384, which represents an increase of approximately 14.8%; and

BE IT FURTHER RESOLVED that the reclassification and salary adjustment be retroactive to February 5, 2014.

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2014, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

ADDENDUM TO THE CITY CLERK
EMPLOYMENT AGREEMENT

May 7, 2014

The City of Lodi employs Randi Johl-Olson as its City Clerk under an employment agreement dated March 21, 2012 ("Employment Agreement"). This Addendum is entered into for the purpose of reclassifying the City Clerk to the position of City Clerk/Legislative Affairs Officer, by adding a standalone description of the duties for the legislative affairs officer (attached hereto as Exhibit A and made a part hereto), and adjusting the salary for the new position.

For the above reasons the parties agree that the Employment Agreement shall be amended as follows:

1) Retroactive to February 5, 2014, the City Clerk is appointed to the position of City Clerk/Legislative Affairs Officer.

2) Retroactive to February 5, 2014, the salary for the position of City Clerk/Legislative Affairs Officer is $116,384 per annum, payable in installments at the same time as other employees of the City are paid and subject to customary withholdings.

3) Payment of the retroactive salary increase shall be made in the second pay period following the approval of this Addendum by the Lodi City Council.

4) With the exception of the reclassification, standalone description of duties (Exhibit A), and salary adjustment referenced hereinabove, all other terms and conditions of the Employment Agreement dated March 21, 2012, a true and correct copy of which is attached hereto as Exhibit B and made a part hereof, remain unchanged.

This Addendum shall not become effective until approved by the Lodi City Council.

CITY OF LODI, a municipal corporation

PHIL KATZAKIAN, Mayor

EMPLOYEE

RANDI JOHL-OLSON

ATTEST:

JENNIFER M. ROBISON
Assistant City Clerk

APPROVED AS TO FORM:

JANICE D. MAGDICH
Interim City Attorney

EXHIBIT A

LEGISLATIVE AFFAIRS OFFICER
Stand-Alone Description for Duties Assigned to the City Clerk

Under direction of the City Council, develops and implements a program to monitor and evaluate proposed local, State and Federal legislative, regulatory and policy issues affecting City operations or the business, residential or cultural climate of the City. Participates in the development and implementation of City legislative goals, policies and priorities.

Tracks new legislative trends and innovations in the field of public administration, changes in Federal, State and local laws, rules and regulations; analyzes the impact on the strategic plan for municipal governance.

Maintains effective and continuous communications with Congressional, State legislative and municipal association offices, professional and community groups and committees; represents and advocates on behalf of the City to a variety of committees, commissions, meetings, hearings, and other functions.

Participates in meetings with executives, industry groups, government officials and nonprofit organizations regarding proposed or newly implemented legislative, regulatory and policy changes. Ensures the public is kept informed of current City programs, services, policies, projects and events through the development and production of public information programs.

Provides staff support and advises commissions, committees, task forces and other groups regarding proposed or newly implemented legislative, regulatory or policy changes. Reviews, analyzes and prepares a variety of detailed reports, conducts independent studies, special projects and presentations.

Performs related duties as assigned.

EXHIBIT B

EMPLOYMENT AGREEMENT

City Clerk

THIS AGREEMENT entered into on March 21, 2012, by and between the CITY OF LODI, a municipal corporation (hereinafter referred to as "City") and RANDI JOHL, an individual (hereinafter referred to as "Employee"). This Agreement terminates and supersedes the November 22, 2010 Employment Agreement and all Addendums to the City Clerk Employment Agreement.

WHEREAS, City desires to continue to employ the services of Employee as City Clerk; and

WHEREAS, Employee desires to continue to serve as City Clerk for the City; and

WHEREAS, City and Employee agree in writing to the terms and conditions of employment as City Clerk; and

WHEREAS, Employee and City agree and acknowledge that Employee's employment as City Clerk is her sole and exclusive employment with City, and that their employment relationship is governed solely and exclusively by this Agreement.

NOW, THEREFORE, in consideration of the promises and conditions set forth herein, the parties mutually agree as follows:

1. Employment: City agrees to employ Employee as City Clerk, in accordance with the following provisions:

(a) Employee shall perform the functions and duties of a City Clerk as specified in the California Government Code, City Ordinances, Resolutions, Rules and Regulations and other state and local statues. Employee shall be responsible for managing and directing the operations of the City Clerk's Office in accordance with an agreed upon performance plan.

(b) Employee shall perform her duties to the best of her ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

(c) Employee agrees to accomplish specific tasks as specified and described by the City Council from time to time in a timely and professional manner. Such specific tasks shall be discussed with Employee and then adopted by motion by the City Council as frequently as the City Council may choose.

(d) Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with her reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC).

(e) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate her full energies and qualifications to her

employment as City Clerk, and shall not engage in any other employment except as may be specifically approved in writing in advance by the City Council.

(f) Employee is an exempt employee who does not accrue compensatory time off, but is expected to engage in those hours of work which are necessary to fulfill the obligations of her position. Employee does not have set hours of work as she is expected to be available at all times. It is recognized that Employee must devote a great deal of her time outside "normal office hours" to the business of the City, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. The Employee has discretion as to her work schedule.

(g) City shall provide Employee with an office, support staff, office equipment, supplies and all other facilities and services adequate for the performance of her duties.

(h) City shall pay for, or provide, Employee reimbursement of actual business expenses. The City shall provide Employee with a City credit card to charge appropriate and lawful business expenses up to the amount provided for in the City budget.

2. Maintenance of Professional Expertise: To promote continued professional growth and benefit to the City, Employee shall, at City expense and consistent with budgetary constraints: maintain membership in professional organizations related to city management administration and related professional disciplines; attend workshops, seminars and other similar activities designed to advance Employee's professional development; and, represent the City in professional associations and other organizations.

3. Term:

(a) Employee is an "at will" employee and shall serve at the pleasure of the City Council.

(b) Except as provided in Section 5, nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of the City Council to terminate the services of Employee.

(c) Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from her position as City Clerk, subject only to the provisions set forth in Section 4 and Section 10.

4. Separation:

(a) Resignation – In the event Employee terminates this Agreement by voluntary resignation of her position with the City, Employee shall not be entitled to severance pay otherwise provided in Section 5 of this Agreement. In the event Employee voluntarily resigns her position with City, she shall give City at least forty-five (45) days advance written notice and shall be entitled to all earned salary and in-lieu vacation leave.

(b) Termination and Removal - The City Council may remove Employee at any time, with or without cause, by a majority vote of its members. Notice of termination shall be provided to Employee in writing. Any such notice of termination shall be given at a noticed meeting of the City Council. Employee shall not be removed during the first 120-days following any change in membership of the City Council, except upon four-fifths (4/5) vote of the City

Council. Given the at-will nature of the position of City Clerk, an important element of this Agreement pertains to termination. It is in both the City's interest and that of Employee that separation of Employee be done in a businesslike manner.

5. Severance Pay: In the event Employee is terminated by the City Council and Employee remains willing and able to perform the functions and duties of City Clerk, City agrees to pay to Employee a lump sum cash payment equal to six (6) months salary and to continue to pay Employee's health insurance benefits upon the same terms set forth in paragraph 9(a) of this Agreement for six (6) months from Employee's date of termination. In all cases such payments shall be subject to all rules and regulations governing withholding. However, notwithstanding the above, if Employee is terminated due to retirement, insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to him, or a breach of this agreement, City shall have no obligation to pay any severance or insurance provided in this section. . In the event employee is convicted of a crime involving abuse of his/her office or position, Employee shall reimburse City for any severance pay paid to Employee under this paragraph.

6. Employment as City Clerk is Sole Employment with City: Employee further represents and acknowledges that her employment as City Clerk is her sole and exclusive employment with the City. Employee has no right to any other exempt position with the City or to any employment in the classified service.

7. Salary: City agrees to pay Employee $101,384.00 in salary per annum for her services, payable in installments at the same time as other employees of the City are paid and subject to customary withholding.

8. Basic Benefits:

(a) Holidays - Employee shall receive thirteen and one half (13 ½) paid holidays per year credited in the same manner as all other City employees.

(b) Vacation Leave - Employee shall be granted paid vacation leave at 4.62 hours per pay period (equivalent to five full years of service) with future leave to be accrued according to the Executive Management Statement of Benefits (i.e. the employees sixth year of service equal to the twelfth year, and the ninth year of service equal to the fifteenth year and so on. . Upon termination or resignation of employment, Employee or those entitled to her estate, shall receive a lump sum payment for unused or accumulated vacation time to her credit at her rate of pay as of her date of termination.

(c) Sick Leave - Employee shall be granted 12-days of sick leave per year which will accrue at a rate of 3.70 hours per pay period.

(d) Administrative Leave - Employee shall be granted eighty (80) hours of administrative leave per year. Upon termination or resignation of employment, Employee or those entitled to her estate, shall receive a lump sum payment for unused or accumulated administrative leave to her credit at her rate of pay as of her date of termination.

(e) Other terms and conditions – Except as otherwise provided herein, all provisions of the City of Lodi Municipal Code, official policies and regulations and rules of the City relating to disability, incapacity, vacation, holidays, retirement systems contributions, and other fringe benefits and working conditions as they now exist or hereafter may be amended

also shall apply to Employee as they would to other executive management employees of City in addition to said benefits set out in this Agreement. Currently those benefits include a PERS two percent (2%) at fifty-five retirement plan.

9. Insurance:

(a) Medical Insurance: Employee shall receive family dental insurance, long-term disability, chiropractic insurance and any other similar benefit which may be made available to Employee by the City as outlined in the City of Lodi Executive Management Statement of Benefits, as amended from time to time by Council Resolution. The Statement of Benefits or Council Resolution describes these benefits and any applicable deductibles.

Employee shall also receive medical insurance for employee and dependents through Cal-PERS-Medical Plans. City shall pay 100% of the premium for employee's family category (Family, Employee+1, Single) for the lowest cost PERS HMO available in the City of Lodi's geographic area (excluding PORAC) as of January 1, 2012.

The City will waive the current employee medical premium contribution (currently $80 and $104 for employee+1 and family coverage, respectively).

If employee selects a higher cost medical plan, employee will pay the difference as a payroll deduction. If employee elects not to be covered by medical insurance through the City, an additional $692.81 per month for Family or $532.92 for Employee+1 or $305.22 for a Single employee, will be added to either the employee's deferred compensation account or paid in cash. In order to qualify for this 'cash-out' provision, proof of group insurance coverage must be provided to the City.

Employee will pay 100% of the change in medical costs beginning January 2013. The baseline will be the January 2012 lowest costs PERS HMO for the employee's family category (Family, $1,587.14; Employee+1, $1,220.88; Single, $610.44).

(b) Deferred Compensation: Employee may participate in the City's Deferred Compensation plan. The City will match up to 3% percent of the employee's base salary starting June 25, 2012.

(c) Life Insurance: Employee shall receive Life Insurance equivalent to City Department Heads.

10. Relocation Expenses: City agrees to pay Employee up to $6,000 for the cost of moving Employee's household goods to Lodi. Employee will obtain three bids for the moving expenses and submit the lowest bid to the City for reimbursement. In the event Employee voluntarily terminates her employment with the City within twenty-four (24) months of this Agreement, she shall reimburse the City for any expenses actually paid by the City under this paragraph.

11. Retirement: City is a full member of the Public Employees Retirement System (PERS) to which City agrees to contribute to Employee's retirement account the total amount required by it. Employee shall pay Employee's contribution of seven (7) percent to the membership contract with PERS for each pay period.

12. Performance Evaluation: Annual performance evaluations are an important way for the City Council and Employee to ensure effective communications about expectations and performance. The City Council recognizes that for Employee to respond to their needs and to grow in the performance of her job, she needs to know how the City Council Members think she is performing. To assure Employee gets this feedback, the City Council commits to:

(a) Conduct an evaluation of Employee's performance at least annually, or on any other schedule deemed appropriate by the City Council. At the request of the City Council or Employee the City may use an outside facilitator to assist them in conducting this evaluation.

(b) The annual review and evaluation shall be in accordance with specific criteria developed jointly by the City Council and Employee. Such criteria may be added to or deleted as the City Council may from time to time determine in consultation with Employee.

(c) The City Council and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the City for the attainment of the City Council's policy objectives. The City Council and Employee shall further establish a relative priority among those various goals and objectives.

13. Assignment: Employee shall not assign any of the duties and responsibilities, or obligations of this Agreement except with the express written consent of the City Council.

14. Authority to Work in the United States: Employee represents, under penalty of perjury, that she is authorized to work in the United States. In accordance with §274A (8 USC 1324) of the Immigration Reform and Control Act of 1986 before this Agreement can become effective, Employee must provide documentary evidence to City consistent with the Act, that she is legally entitled to work in the United States, and must execute the verification required by that Act.

15. Cell Phone/Vehicle: Employee will be provided with a cell phone for employment related use at the City's expense on terms consistent with other Executive Managers. Employee will also be provided with access to the Administration Pool Car for work related use on an as available basis.

16. Notice: All notices required herein shall be sent first class mail to the parties as follows:

To City:	City of Lodi P. O. Box 3006 Lodi, CA 95241-1910
To Employee:	Randi Johl 10238 Jennifer Lane Stockton, California 95209

Notice shall be deemed effectively served upon deposit in the United States mail.

17. Entire Agreement: This Agreement contains the entire agreement between the parties hereto. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by any party hereto. This Agreement may only be amended

by written instrument signed by Employee and specifically approved by the City Council in open session.

18. Severability: If any provision of this Agreement is invalid or unenforceable, it shall be considered deleted herefrom and the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written above.

CITY OF LODI, a municipal corporation

By: _____
JoAnne Mounce
Mayor

EMPLOYEE

By: _____
Randi Johl

ATTEST:

By: _____
Jennifer Robison
Assistant City Clerk

APPROVED AS TO FORM:

_____ for
Janice D. Magdich
Deputy City Attorney

AGENDA ITEM I-04

CITY OF LODI
COUNCIL COMMUNICATION
™

AGENDA TITLE: Adopt Resolution Approving the Classification and Salary Range for the Position of Property and Evidence Technician.

MEETING DATE: May 7, 2014

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Adopt resolution approving the classification and salary range for the position of Property and Evidence Technician.

BACKGROUND INFORMATION: The Police Department has historically staffed their property room with a Community Service Officer. Upon discussions with the Police Chief, the City wishes to create a new classification and assign the appropriate salary that accurately reflects the scope and responsibilities of the duties being performed. The job duties and responsibilities as defined in the Community Service Officer do not reflect the administrative and technical duties associated with the maintenance, control, and disposal of property and evidence within the Police Department.

Staff requests Council approve the classification and set the salary range for Property and Evidence Technician. The current incumbent in the classification of Community Service Officer is retiring effective May 29, 2014, and the Police Department wishes to conduct a recruitment to fill the expected vacancy with the classification of Property and Evidence Technician.

Property and Evidence Technician. Human Resources conducted an analysis and review of the position and it was determined that the duties and responsibilities were not accurately reflected in the current classification of Community Service Officer. The newly created classification accurately reflects the duties, scope and responsibilities as associated with the handling and storage of property and evidence in compliance with federal and state laws and departmental procedures.

After discussions with and concurrence from the Lodi Police Dispatchers Association, staff recommends the new Property and Evidence Technician salary range be the same as the Community Service Officer ($3,585.36 – $4,358.03). This job description will remain part of the Lodi Police Dispatchers Association.

The Police Department is requesting to unfund the Community Service Officer position and fund the Property and Evidence Technician position.

FISCAL IMPACT: There is no fiscal impact in the current fiscal year.

FUNDING AVAILABLE: Funding available through the Police Department budget.

_____
Adele Post, Human Resources Manager

_____
Jordan Ayers, Deputy City Manager

APPROVED: _____
Steve Schwabauer, Interim City Manager

RESOLUTION NO. 2014-____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE JOB DESCRIPTION AND SALARY
RANGE FOR THE POSITION OF PROPERTY AND
EVIDENCE TECHNICIAN

==========

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the job specification for the position of Property and Evidence Technician as attached marked Exhibit A and;

BE IT FURTHER RESOLVED that the salary range for Property and Evidence Technician is hereby approved and shall be as follows:

PROPERTY AND EVIDENCE TECHNICIAN

Step A	Step B	Step C	Step D	Step E
$3,585.36	$3,764.63	$3,952.87	$4,150.51	$4,358.03

Dated: May 7, 2014

==========

I hereby certify that Resolution No. 2014-____ was passed and adopted by the Lodi City Council in a regular meeting held May 7, 2014 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

CITY OF LODI April 2014

PROPERTY AND EVIDENCE TECHNICIAN

Job descriptions are intended to present a broad and general range of duties which includes, purpose, responsibilities, and scope of work. Job descriptions are not intended to reflect all duties performed within the job.

DEFINITION

Under general direction, performs administrative and technical duties associated with the maintenance, control, and disposal of property and evidence within the Police Department; performs related work as assigned.

SUPERVISION EXERCISED AND RECEIVED

Receives general supervision from a Dispatch Supervisor, Police Lieutenant, or other higher level personnel.

EXAMPLES OF DUTIES

Receives property and issues receipts; categorizes and stores property which has been found or turned in as evidence;

Coordinates the disposal, sale, or auction of property and evidence in accordance with state, city, or departmental rules and regulations. Releases property to authorized persons in accordance with laws and departmental procedures;

Use variety of computer systems, resource materials, and knowledge of laws to conduct research on stolen property, to identify the disposition on cases, to find the identity and addresses of victims and suspects, and to determine the disposition of evidence in accordance with law;

Examine, prepare and develop latent fingerprints both chemically and with conventional dusting techniques;

Handle, package, transport and dispose of hazardous materials such as medical/biological waste, illegal drugs, computers or pharmaceuticals; handle, package and store bio-hazards such as blood, semen, urine, or clothing covered in such hazards; handle, package, store and dispose of large quantities of marijuana in accordance with all safety procedures;

Testifies in court regarding chain-of-custody and property records;

Prepares detailed records of evidence inventory and maintains orderly appearance of property file area; maintains continuous property inventory record;

Prepares periodic reports related to property stored, including disposal of property, unclaimed property, and property available for auction;

Coordinates the review of inventory items by departmental staff and outside agencies;

May provide direction, training, and work review to support staff assigned to the property room. Assists with special projects related to the maintenance and handling of property items.

Performs other duties related to the operation of the department and the city, including additional duties that enable the department and City to meet the diverse needs of its community.

MINIMUM QUALIFICATIONS

Knowledge of:
Correct English usage, spelling, punctuation, and grammar;

Safety policies, procedures, and practices related to laboratory operations, contagious disease control, and handling bio-hazardous materials;

Basic fingerprinting techniques;

Records management and inventory techniques; record keeping necessary to provide chain-of-evidence; computer terminal operations related to the entry and retrieval of information pertaining to property and evidence;

Municipal organizational structure; departmental regulations, procedures and work methods; basic report writing techniques; interpret and apply codes, ordinances, laws, rules, regulations and policies.

Ability to:
Interpret and apply federal, state and local policies, procedures, laws and regulations;

Operate a storeroom and warehouse facility in a safe and secure manner;

Communicate effectively orally and in writing; understand and follow verbal and written instructions; prepare clear and accurate reports; maintain mental capacity which allows for effective interaction and communication with others; work independently;

Effectively account for police property and evidence; organize and maintain property and evidence control systems; keep abreast of new developments in the field of property control;

Establish and maintain effective work relationships with others contacted in the course of work; operate radio equipment and utilize appropriate codes;

Work a variety of shifts, weekends and holidays.

EDUCATION AND EXPERIENCE

Any combination equivalent to education and experience that would likely provide the required knowledge and abilities would be qualifying. A typical combination is:

Education:

High school diploma or equivalent. College level course work in criminal justice or related field is desirable.

Experience:

One (1) year of experience as a storekeeper, stock clerk, property clerk, or in general office support work. Prior experience in a law enforcement setting is desirable.

LICENSES AND CERTIFICATES

Possession of a valid Driver's License (class C) issued from the California Department of Motor Vehicles;

WORKING CONDITIONS

Maintain physical condition appropriate to the performance of assigned duties and responsibilities which may include walking, lifting up to 50 lbs., stooping, climbing, standing or sitting for pro-longed periods of time and operating assigned office equipment; effectively deal with situations which includes dealing with the public; maintain effective audio-visual discrimination and perception needed for making observations, and operating assigned office equipment; exposure to human body fluids, odors, and decomposing matter as well as narcotics, explosives, weapons, and hazardous materials.

*FLSA Status: NON-EXEMPT