



# LODI CITY COUNCIL

Carnegie Forum  
305 West Pine Street, Lodi

## AGENDA – REGULAR MEETING

Date: November 2, 2011

Time: Closed Session 6:00 p.m.  
Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:

**Randi Johl, 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.

***NOTE:** 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 24 hours prior to the meeting date.*

**C-1 Call to Order / Roll Call**

**C-2 Announcement of Closed Session**

- a) Conference with Stephen Schwabauer, City Attorney, and Dean Gualco, Human Resources Manager (Labor Negotiators), Regarding Unrepresented Executive Management, Lodi City Mid-Management Association, Unrepresented Confidential Employees, AFSCME General Services and Maintenance & Operators, International Brotherhood of Electrical Workers, Fire Mid-Managers, and Lodi Professional Firefighters Pursuant to Government Code §54957.6
- b) Conference with Stephen Schwabauer, City Attorney (Labor Negotiator), Regarding Police Mid-Managers, Lodi Police Officers Association, and Lodi Police Dispatchers Association 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 National Homeless Youth Awareness and Runaway Prevention Month Proclamation
- B-2 Presentation of Certificates of Recognition to Local Youth for Meritorious Service to the Lodi Police Department
- B-3 Presentation by Hospice of San Joaquin Regarding 2011 Tree of Lights

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

- C-1 Receive Register of Claims in the Amount of \$3,491,634.27 (FIN)
- C-2 Approve Minutes (CLK)
  - a) October 5, 2011 (Regular Meeting)
  - b) October 11, 18, and 25, 2011 (Shirtsleeve Sessions)
- C-3 Accept the Quarterly Investment Report as Required by Government Code Section 53646 and the City of Lodi Investment Policy (CM)
- Res. C-4 Adopt Resolution Approving the City of Lodi Annual Investment Policy and Internal Control Guidelines (CM)

- Res. C-5 Adopt Resolution Approving the Purchase of 6,000 Feet of Insulated Underground Cable to Prysmian Cables and Systems USA, of Lexington, South Carolina (\$60,161.70) (EUD)
- Res. C-6 Adopt Resolution Approving the Purchase of Padmount Transformers from HEES Enterprises, Inc., of Astoria, Oregon, and CG Power Systems USA Inc., of Washington, Missouri (\$82,419.06) (EUD)
- Res. C-7 Adopt Resolution Approving the Third Amended and Restated Northern California Power Agency Metered Subsystem Aggregator Agreement and Authorizing Execution by the City Manager with Administration by the Electric Utility Director (EUD)
- Res. C-8 Adopt Resolution Extending City of Lodi Participation for Ten Years in the San Joaquin County Abandoned Vehicle Abatement Service Authority Program (PD)
- C-9 Approve Amendment to City Council Protocol Manual Section 5.2 (Commission Appointments) to Add Language Regarding Removal Process (CLK)
- Res. C-10 Adopt Resolution Disbanding the Community Separator/Greenbelt Task Force and the Grape Bowl Ad Hoc Committee (CLK)
- Res. C-11 Adopt Resolution Amending the Bylaws for the Lodi Improvement Committee (CD)
- C-12 Set Public Hearing for November 16, 2011, to Consider Unmet Transit Needs in Lodi (PW)

**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.

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.

**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 Adoption of a Resolution Amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees for 2012 (CD)

**H. Communications**

- H-1 Appointments to Lodi Animal Commission and Personnel Board of Review and Post for Remaining Vacancy on the Personnel Board of Review (CLK)

**I. Regular Calendar**

- Res. I-1 Approve Lodi Tourism Business Improvement District 2012 Annual Report, Adopt Resolution of Intention to Levy Annual Assessment, and Set Public Hearing for November 16, 2011, to Consider the Proposed Assessment (CM)

**J. Ordinances**

- Ord. (Adopt) J-1 Adopt Ordinance No. 1853 Entitled, "An Ordinance of the Lodi City Council Amending Chapter 13.20 – Electrical Service – by Repealing and Reenacting Section 13.20.225, 'Schedule NEM – Net Energy Metering Rider,' and Section 13.20.227, 'Schedule CEM – Co-Energy Metering Rider'" (CLK)
- Ord. (Adopt) J-2 Adopt Ordinance No. 1854 Entitled, "An Ordinance of the City Council of the City of Lodi Amending Lodi Municipal Code Title 17 – Zoning – Chapter 17.57, 'General Regulations and Exceptions,' by Adding Section 17.57.200, 'Interim Regulations for Mixed Use Designations'" (CLK)

**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.

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Randi Johl  
City Clerk



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** National Homeless Youth Awareness and Runaway Prevention Month Proclamation

**MEETING DATE:** November 2, 2011

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Mayor Johnson present a proclamation proclaiming the month of November 2011 as "National Homeless Youth Awareness and Runaway Prevention Month" in the City of Lodi.

**BACKGROUND INFORMATION:** The Mayor has been requested to present a proclamation proclaiming the month of November 2011 as "National Homeless Youth Awareness and Runaway Prevention Month" in the City of Lodi. Jennifer Jones with the Family and Youth Services of San Joaquin County will be at the meeting to accept the proclamation.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None.

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Randi Johl  
City Clerk

RJ/JMR

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**APPROVED:** \_\_\_\_\_  
Konradt Bartlam, City Manager



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Presentation of Certificates of Recognition to Local Youth for Meritorious Service to the Lodi Police Department

**MEETING DATE:** November 2, 2011

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Mayor Johnson present Certificates of Recognition to three local youth for meritorious service to the Lodi Police Department.

**BACKGROUND INFORMATION:** On September 25, 2011, three young men witnessed a man engaging in criminal activity at Kofu Park. Upon confronting the suspect, the boys threatened to call the police, which caused the suspect to flee the scene on a bicycle. The boys followed the suspect to Lodi Memorial Hospital, at which time they called the police and remained there until the police arrived, helping to identify the suspect and giving an account of the crime.

Mayor Johnson will present each youth with a Certificate of Recognition for their act of courage and service to the Lodi Police Department.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None.

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Randi Johl  
City Clerk

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Presentation by Hospice of San Joaquin Regarding 2011 Tree of Lights  
**MEETING DATE:** November 2, 2011  
**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Receive presentation by Hospice of San Joaquin Regarding 2011 Tree of Lights.

**BACKGROUND INFORMATION:** Julie Wetteland, Lodi Chapter Butterfly Auxiliary President for Hospice of San Joaquin, will make a presentation regarding the 2011 Hospice Tree Lighting in the City of Lodi.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None.

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Randi Johl  
City Clerk

RJ/JMR

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**APPROVED:** \_\_\_\_\_  
Konradt Bartlam, City Manager



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Receive Register of Claims through October 13, 2011 in the Total Amount of \$3,491,634.27

**MEETING DATE:** November 2, 2011

**PREPARED BY:** Financial Services Manager

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**RECOMMENDED ACTION:** Receive the attached Register of Claims for \$3,491,634.27.

**BACKGROUND INFORMATION:** Attached is the Register of Claims in the amount of \$3,491,634.27 through 10/13/11. Also attached is Payroll in the amount of \$1,177,812.72.

**FISCAL IMPACT:** Not applicable.

**FUNDING AVAILABLE:** As per attached report.

\_\_\_\_\_  
Ruby R. Paiste, Financial Services Manager

RRP/rp

Attachments

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**APPROVED:** \_\_\_\_\_  
Konradt Bartlam, City Manager

Accounts Payable  
Council Report

Page - 1  
Date - 10/17/11

As of Thursday	Fund	Name	Amount
10/13/11	00100	General Fund	801,811.50
	00123	Info Systems Replacement Fund	103.23
	00160	Electric Utility Fund	28,929.29
	00161	Utility Outlay Reserve Fund	1,728.39
	00164	Public Benefits Fund	15,009.36
	00166	Solar Surcharge Fund	9,531.00
	00167	Energy Efficiency & CBGP-ARRA	5,100.26
	00170	Waste Water Utility Fund	907,887.09
	00172	Waste Water Capital Reserve	44.99
	00180	Water Utility Fund	10,666.00
	00181	Water Utility-Capital Outlay	41,143.19
	00210	Library Fund	2,035.16
	00230	Asset Seizure Fund	50.00
	00234	Local Law Enforce Block Grant	1,821.90
	00235	LPD-Public Safety Prog AB 1913	2,660.73
	00260	Internal Service/Equip Maint	17,398.42
	00270	Employee Benefits	39,321.83
	00300	General Liabilities	3,536.06
	00310	Worker's Comp Insurance	23,248.58
	00321	Gas Tax-2105,2106,2107	25,073.05
	00325	Measure K Funds	8,752.56
	00326	IMF Storm Facilities	247,545.84
	00337	Traffic Congestion Relf-AB2928	66.94
	00339	Prop.1B-Local Streets & Roads	8.74
	00340	Comm Dev Special Rev Fund	248.26
	00347	Parks, Rec & Cultural Services	36,268.27
	00410	Bond Interest & Redemption	1,134,064.42
	01211	Capital Outlay/General Fund	14,744.10
	01214	Arts in Public Places-IMF	1,255.00
	01217	IMF Parks & Rec Facilities	31,056.71
	01241	LTF-Pedestrian/Bike	5,542.00
	01250	Dial-a-Ride/Transportation	56,526.39
	01251	Transit Capital	5.39
	01410	Expendable Trust	16,865.65
Sum			3,490,050.30
	00184	Water PCE-TCE-Settlements	168.00
	00190	Central Plume	1,415.97
Sum			1,583.97
Total Sum			3,491,634.27

Council Report for Payroll

Page - 1  
Date - 10/17/11

Payroll	Pay Per Date	Co	Name	Gross Pay
Regular	10/02/11	00100	General Fund	697,229.77
		00160	Electric Utility Fund	136,064.33
		00161	Utility Outlay Reserve Fund	8,732.24
		00164	Public Benefits Fund	3,405.40
		00170	Waste Water Utility Fund	106,331.72
		00180	Water Utility Fund	894.24
		00210	Library Fund	27,430.66
		00235	LPD-Public Safety Prog AB 1913	1,396.44
		00260	Internal Service/Equip Maint	16,840.20
		00321	Gas Tax-2105,2106,2107	31,392.27
		00340	Comm Dev Special Rev Fund	21,449.07
		00345	Community Center	125.89
		00346	Recreation Fund	153.00
		00347	Parks, Rec & Cultural Services	119,824.88
		01250	Dial-a-Ride/Transportation	6,542.61
Pay Period Total:				
Sum				1,177,812.72



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Approve Minutes  
a) October 5, 2011 (Regular Meeting)  
b) October 11, 2011 (Shirtsleeve Session)  
c) October 18, 2011 (Shirtsleeve Session)  
d) October 25, 2011 (Shirtsleeve Session)

**MEETING DATE:** November 2, 2011

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Approve the following minutes as prepared:  
a) October 5, 2011 (Regular Meeting)  
b) October 11, 2011 (Shirtsleeve Session)  
c) October 18, 2011 (Shirtsleeve Session)  
d) October 25, 2011 (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  
City Clerk

Attachments

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**APPROVED:** \_\_\_\_\_  
Konradt Bartlam, City Manager

**LODI CITY COUNCIL  
REGULAR CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, OCTOBER 5, 2011**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of October 5, 2011, was called to order by Mayor Johnson at 5:30 p.m.

Present: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Absent: None

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

C-2 Announcement of Closed Session

- a) Conference with Stephen Schwabauer, City Attorney, and Dean Gualco, Human Resources Manager (Labor Negotiators), Regarding Unrepresented Executive Management, Lodi City Mid-Management Association, Unrepresented Confidential Employees, AFSCME General Services and Maintenance & Operators, International Brotherhood of Electrical Workers, Fire Mid-Managers, and Lodi Professional Firefighters Pursuant to Government Code §54957.6
- b) Conference with Stephen Schwabauer, City Attorney (Labor Negotiator), Regarding Police Mid-Managers, Lodi Police Officers Association, and Lodi Police Dispatchers Association Pursuant to Government Code §54957.6
- c) Actual Litigation: Government Code Section 54956.9(a); One Case; Ashley St. Clair, Individually and as Guardian Ad Litem for Jose Vargas, Jr., a Minor v. Robert Lee Hindmarsh, City of Lodi, et al., San Joaquin County Superior Court, Case No. 39-2011-00260663-CU-PASTK
- d) Actual Litigation: Government Code §54956.9(a); One Case; Dean Newhall v. City of Lodi, et al., U.S. District Court, Eastern District of California No. 2:11-CV-00579-GEB-KJN
- e) Government Code Section 54956.9(b)(c); Exposure to Litigation; Ross Dress for Less v. City of Lodi Regarding Alleged Utility Overcharges

C-3 Adjourn to Closed Session

At 5:30 p.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 6:50 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:00 p.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

Items C-2 (a), C-2 (b), C-2 (c), C-2 (d), and C-2 (e) were all discussion and direction only with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of October 5, 2011, was called to order by Mayor Johnson at 7:00 p.m.

Present: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Absent: None

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Presentations

B-1 Domestic Violence Awareness Month Proclamation

Mayor Johnson presented a proclamation to Paula Grech with the Women's Center of San Joaquin County proclaiming the month of October 2011 as "Domestic Violence Awareness Month" in the City of Lodi.

B-2 Lodi Fire Department Pink October Breast Cancer Awareness Month Fundraiser Proclamation (FD)

Mayor Johnson presented a proclamation to Fire Captain Brad Doell proclaiming the month of October 2011 as "Lodi Fire Department Pink October Breast Cancer Awareness Month" fundraiser in the City of Lodi.

B-3 Fire Prevention Month Proclamation (FD)

Mayor Johnson presented a proclamation to Interim Fire Chief Dan Haverty proclaiming the month of October 2011 as "Fire Prevention Month" in the City of Lodi.

B-4 Firefighter Muscular Dystrophy Association "Fill the Boot" Fundraiser Proclamation (FD)

Mayor Johnson presented a proclamation to Fire Captain Brad Doell setting October 15, 2011, as the date for the Firefighter Muscular Dystrophy Association "Fill the Boot" fundraiser in the City of Lodi.

B-5 Public Power Week Proclamation (EUD)

Mayor Johnson presented a proclamation to Electric Utility Director Elizabeth Kirkley proclaiming the week of October 2 - 8, 2011, as "Public Power Week" in the City of Lodi.

B-6 National Arts & Humanities Month Proclamation (PRCS)

Mayor Johnson presented a proclamation to Arts Commissioner Maria Singleton proclaiming October 2011 as "National Arts and Humanities Month" in the City of Lodi.

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

Council Member Katzakian made a motion, second by Mayor Johnson, to approve the following items hereinafter set forth in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Noes: None  
Absent: None

C-1 Receive Register of Claims in the Amount of \$11,519,744.35 (FIN)

Claims were approved in the amount of \$11,519,744.35.

C-2 Approve Minutes (CLK)

The minutes of September 6, 2011 (Shirtsleeve Session), September 7, 2011 (Regular Meeting), September 13, 2011 (Shirtsleeve Session), September 20, 2011 (Shirtsleeve Session), September 20, 2011 (Special Meeting), September 21, 2011 (Regular Meeting), and September 27, 2011 (Shirtsleeve Session) were approved as written.

C-3 Approve Specifications and Authorize Advertisement for Bids for Removal of 41 Modesto Ash Trees (PW)

Approved the specifications and authorized advertisement for bids for removal of 41 Modesto Ash trees.

C-4 Adopt Resolution Rejecting Non-Responsive Bids, Authorizing the City Manager to Execute Contract for Transit Station Facility Improvement Project with Diede Construction, of Lodi (\$124,624.50), and Appropriating Funds (\$19,000) (PW)

Adopted Resolution No. 2011-147 rejecting all bids and authorizing re-advertisement for bids for Transit Station Facility Improvement Project.

C-5 Adopt Resolution Authorizing the City Manager to Execute Two-Year Contract for Elevator Services with Elevator Services Company, of North Highlands (\$21,468.66), and to Negotiate and Extend Contract for an Additional Two-Year Term (PW)

Adopted Resolution No. 2011-148 authorizing the City Manager to execute two-year contract for elevator services with Elevator Services Company, of North Highlands, in the amount of \$21,468.66, and to negotiate and extend contract for an additional two-year term.

C-6 Adopt Resolution Authorizing the City Manager to Execute Professional Services Agreement for Harney Lane Grade Separation Design Project with Mark Thomas & Company, of Sacramento (\$1,529,473), and Appropriating Funds (\$1,630,737) (PW)

Greg Costa spoke in regard to his concerns about notifying the contractor of the specifics associated with temporary roads and easements through orchards and the taking of property.

In response to Council Member Nakanishi, Mr. Bartlam stated the alternatives analysis for the grade separation project will consider whether to go over or underneath the railroad tracks and environmental work. He stated the design will be based upon the preferred alternative.

Adopted Resolution No. 2011-149 authorizing the City Manager to execute professional services agreement for Harney Lane Grade Separation Design Project with Mark Thomas & Company, of Sacramento, in the amount of \$1,529,473, and appropriating funds in the amount of \$1,630,737.

C-7 Adopt Resolution Authorizing the City Manager to Execute Professional Services Agreement with WGR Southwest, Inc., of Lodi, for Storm Drainage Permit Compliance Services (\$30,925) (PW)

Adopted Resolution No. 2011-150 authorizing the City Manager to execute professional services agreement with WGR Southwest, Inc., of Lodi, for storm drainage permit compliance services in the amount of \$30,925.

C-8 Adopt Resolution Authorizing the City Manager to Execute Professional Services Agreement for Fixed Network Software Modifications with Vertex Business Services Holdings LLC, of Bend, Oregon (\$116,250), and Appropriating Funds (\$150,000) (PW)

Adopted Resolution No. 2011-151 authorizing the City Manager to execute professional services agreement for fixed network software modifications with Vertex Business Services Holdings LLC, of Bend, Oregon, in the amount of \$116,250, and appropriating funds in the amount of \$150,000.

C-9 Adopt Resolution Authorizing the City Manager to Execute a Two-Year Professional Services Agreement with Z-Global Engineering and Energy Solutions, of Folsom, for Compliance Services with Administration by the Electric Utility Director (\$103,800) (EUD)

Adopted Resolution No. 2011-152 authorizing the City Manager to execute a two-year professional services agreement with Z-Global Engineering and Energy Solutions, of Folsom, for compliance services with administration by the Electric Utility Director in the amount of \$103,800.

C-10 Adopt Resolution Approving the Master Lease Agreement with the Lodi Grape Festival and National Wine Show Association for Use of Various Festival Ground Facilities (\$21,000) (PRCS)

Adopted Resolution No. 2011-153 approving the master lease agreement with the Lodi Grape Festival and National Wine Show Association for use of various Festival ground facilities in the amount of \$21,000.

C-11 Adopt Resolution Authorizing the City Manager to Execute Improvement Deferral Agreement for 21 East Elm Street (PW)

Adopted Resolution No. 2011-154 authorizing the City Manager to execute improvement deferral agreement for 21 East Elm Street.

C-12 Accept Improvements Under Contract for DeBenedetti Park (G-Basin) Storm Drain Improvements Project (PW)

Accepted improvements under contract for DeBenedetti Park (G-Basin) Storm Drain Improvements Project.

C-13 Adopt Resolution Approving River Parkways Grant Application (CM)

Adopted Resolution No. 2011-155 approving River Parkways Grant Application.

C-14 Receive Report Regarding Communications Pertaining to ABx1 41 (Solorio) and Assembly Bill 1391 (Bradford) (CLK)

Received report regarding communications pertaining to ABx1 41 (Solorio) and Assembly Bill 1391 (Bradford).

C-15 Approve New Location for the Lodi Arts Commission Meetings (PRCS)

Approved the new location for the Lodi Arts Commission meetings.

- C-16 Set Public Hearing for October 19, 2011, to Introduce an Ordinance Establishing a Fee Recovery Schedule for the Lodi Energy Theft Diversion Program (EUD)

Set public hearing for November 16, 2011, to introduce an ordinance establishing a fee recovery schedule for the Lodi Energy Theft Diversion Program.

- C-17 Set Public Hearing for October 19, 2011, to Introduce an Ordinance Amending Chapter 13.20, "Electrical Service," by Repealing and Reenacting Section 13.20.225, "Schedule NEM - Net Energy Metering Rider," and Section 13.20.227, "Schedule CEM - Co-Energy Metering Rider" (EUD)

Set public hearing for October 19, 2011, to introduce an ordinance amending Chapter 13.20, "Electrical Service," by repealing and reenacting Section 13.20.225, "Schedule NEM - Net Energy Metering Rider," and Section 13.20.227, "Schedule CEM - Co-Energy Metering Rider."

- C-18 Set Public Hearing for October 19, 2011, to Consider the Planning Commission's Recommendation to Certify the 2010-16 Housing Element and Adopt an Interim Ordinance (CD)

Set public hearing for October 19, 2011, to consider the Planning Commission's recommendation to certify the 2010-16 Housing Element and adopt an interim ordinance.

- 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. 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.

Vincent Sayles spoke in regard to the health benefits of exercising on a trampoline.

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

Council Member Nakanishi provided an overview of the Governor's realignment plan.

Mayor Pro Tempore Mounce reported on her attendance at the League annual conference. She also asked for a status report regarding the previously heard recommendations of the firefighters group regarding budget enhancing ideas, the local hiring ordinance, and the ordinance requiring electric payments to be due upon receipt versus a specific due date.

Council Member Hansen reported on his attendance at the Northern California Power Agency annual conference and provided an overview of AB 1391, which was recently defeated. Mr. Hansen commended local athletes for making it to the pros and Chief Haverty on his efforts with the Go Pink Campaign. Mr. Hansen also asked for a status on the ordinance related to electric payment due dates. In response to Council Member Hansen, Mr. Sandelin stated the Regional Transit District bus stop near Coco's is in the plans and specifications process.

Mayor Johnson commended City Clerk Johl on her successful completion of a year as President of the City Clerks Association of California.

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

None.

G. Public Hearings

G-1 Public Hearing to Consider Adopting Resolution Approving Harney Lane Specific Plan and Certifying Negative Declaration as Adequate Environmental Documentation for Harney Lane Specific Plan (PW)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Johnson called for the public hearing to consider adopting resolution approving Harney Lane Specific Plan and certifying Negative Declaration as adequate environmental documentation for Harney Lane Specific Plan.

Public Works Director Wally Sandelin provided a PowerPoint presentation regarding the Harney Lane Specific Plan. Specific topics of discussion included the purpose of the plan, history, one-on-one meetings, issues and concerns, segments of the plan, right of way acquisition, full intersections, turn restricted intersections, and recommended action.

In response to Council Member Hansen, Mr. Sandelin stated despite the fact that the plan projects out 14 to 34 years future development will have a clear idea of what the expectation is in that area. Mr. Sandelin stated that, similar to the General Plan, the proposed plan can be amended. He stated the proposed plan is the next step to the General Plan in that it specifically lays out the requirements for the Harney Lane expansion, which is already in the General Plan.

In response to Mayor Pro Tempore Mounce, Mr. Sandelin stated non-annexed property would need to go through the acquisition process if an alternative design could not go around the property.

In response to Mayor Johnson, Mr. Sandelin stated the interim improvements will minimize the effect so that only what is necessary is obtained and without property acquisition if it is not needed.

In response to Council Member Hansen, Mr. Sandelin stated that, with respect to the time line, it will take 18 to 24 months for the plans and specifications process and depending upon the alternatives decision it could take 4 to 6 months. Mr. Sandelin stated staff will provide a matrix to help decipher the alternatives at the appropriate time.

In response to Mayor Pro Tempore Mounce, Mr. Sandelin confirmed the interim improvements along Segment 4 is what is most important for the Costa property and the City Council could approve the plan without Segment 4 if it so desired.

In response to Council Member Hansen, Mr. Sandelin stated a future intersection at Banyon Drive is likely but there is still a need to know specifics like grade variation.

Mayor Johnson opened the public hearing to receive public comment.

Steve Herum of Herum and Crabtree spoke as a representative of the properties owned by the Tsutsumi and Costa families. Mr. Herum stated he wanted to clarify for the record that the Tsutsumi family is not in favor of the proposed project. Mr. Herum provided an overview of the orchard business owned and operated by the Costa family and specifically discussed the concerns associated with the revisions from the original plan to the currently proposed plan. Mr. Herum requested that the matter be continued for a short period to allow the staff and property owners time to come to consensus on the proposed plan as he believes they are close

to reaching an agreement.

Discussion ensued between Council Member Hansen, Mr. Herum, and City Manager Bartlam regarding truncating the process with the elimination of Segment 4 and continuing the matter as a whole to a date specific to allow time for agreement between staff and the property owners.

In response to Mayor Pro Tempore Mounce, Mr. Sandelin stated the referenced change from the original map to the proposed map was a mistake and should not have been included in the original map.

Greg Costa spoke in support of the overall project so long as there is no negative impact to his business. Mr. Costa stated he is concerned about Segment 3, which is negatively impacting Segment 4 and giving rise to the need for access on Harney Lane.

Mayor Johnson closed the public hearing after receiving no further comment.

Mayor Pro Tempore Mounce made a motion, second by Council Member Katzakian, to continue the public hearing regarding Harney Lane Specific Plan and certifying Negative Declaration as adequate environmental documentation for Harney Lane Specific Plan to December 19, 2011.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Noes: None

Absent: None

G-2 Public Hearing to Consider Adoption of Resolution Levying Annual (2012) Assessment for Downtown Lodi Business Improvement Area No. 1 and Confirming the Downtown Lodi Business Partnership 2011 Annual Report as Approved by Council on August 17, 2011 (CM)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Johnson called for the public hearing to consider adoption of resolution levying annual (2012) assessment for Downtown Lodi Business Improvement Area No. 1 and confirming the Downtown Lodi Business Partnership 2011 Annual Report as approved by Council on August 17, 2011.

Deputy City Manager Jordan Ayers provided a brief overview of the proposed assessment as outlined in the Council Communication.

In response to Council Member Hansen, Mr. Ayers stated last year all 226 businesses did pay the total assessment of \$40,000 albeit at different times.

Mayor Johnson opened the public hearing to receive public comment.

June Aaker spoke in regard to her concern about the Downtown Lodi Business Partnership (DLBP) not having an outside audit completed. City Manager Bartlam confirmed that the City does not require an outside audit.

Renne Devine spoke in support of an outside audit for DLBP and in opposition to the proposed assessment.

Dena Curby spoke in support of the efforts of the DLBP and the events in downtown.

Mayor Johnson closed the public hearing after receiving no further public comment.

Mayor Johnson made a motion, second by Mayor Pro Tempore Mounce, to adopt Resolution No. 2011-156 levying annual (2012) assessment for Downtown Lodi Business Improvement Area No. 1 and confirming the Downtown Lodi Business Partnership 2011 Annual Report as approved by Council on August 17, 2011.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Noes: None

Absent: None

G-3 Public Hearing to Consider Amendments and Introduce Ordinance Amending Lodi Municipal Code Chapter 16.40 - Reimbursements for Construction - by Repealing and Reenacting Section 16.40.050, "Reimbursement Agreements," in Its Entirety (PW)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Johnson called for the public hearing to consider amendments and introduce ordinance amending Lodi Municipal Code Chapter 16.40 - Reimbursements for Construction - by repealing and reenacting Section 16.40.050, "Reimbursement Agreements," in its entirety.

Public Works Director Wally Sandelin provided a brief overview of the proposed ordinance regarding reimbursement agreements as set forth in the Council Communication.

In response to Council Member Nakanishi, City Manager Bartlam stated the Landers property owes money to the developer and anyone who purchased that property would probably need to discount that amount.

In response to Mayor Pro Tempore Mounce, Deputy City Manager Jordan Ayers stated there is a total of \$2.5 million outstanding with the 17 reimbursement agreements shown and the five on the bottom of the spreadsheet have been paid off.

Mayor Johnson opened the public hearing to receive public comment.

George Gibson of FCB Homes spoke in support of the proposed action outlining the positive effect on the development community.

Mayor Johnson closed the public hearing after receiving no further public comment.

Council Member Hansen made a motion, second by Mayor Pro Tempore Mounce, to introduce Ordinance No. 1852 amending Lodi Municipal Code Chapter 16.40 - Reimbursements for Construction - by repealing and reenacting Section 16.40.050, "Reimbursement Agreements," in its entirety.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Noes: None

Absent: None

H. Communications

H-1 Appointment to the Lodi Arts Commission and Re-Post for Vacancies on the Lodi Animal Advisory Commission, Lodi Arts Commission, and Site Plan and Architectural Review Committee (CLK)

Mayor Pro Tempore Mounce made a motion, second by Mayor Johnson, to make the following appointment and direct the City Clerk to re-post for the vacancies shown below to remain open until filled:

APPOINTMENTS:

Lodi Arts Commission

Annalisa Sharp Babich, term to expire July 1, 2013

POSTINGS:

Lodi Animal Advisory Commission

One Vacancy, term to expire December 31, 2013

Lodi Arts Commission

One Vacancy, term to expire July 1, 2012

Site Plan and Architectural Review Committee

One Vacancy, term to expire January 1, 2012

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Noes: None

Absent: None

I. Regular Calendar

I-1 Direct Staff Regarding the Phase 3 Grape Bowl Improvements Project (PW)

Public Works Director Wally Sandelin provided a PowerPoint presentation regarding the Phase 3 Grape Bowl Improvements. Specific topics of discussion included expenditures, recent events, Option 3, Phase 3 design, Phase 3 cost estimate, funding sources, alternative Phase 3 delivery, construction schedule, naming opportunities, and the request for direction.

In response to Mayor Johnson, Mr. Sandelin confirmed the current estimate for the project is \$10 to \$12 million, which is an approximate \$4 million increase in the past year.

In response to Mayor Pro Tempore Mounce, Mr. Sandelin and City Manager Bartlam stated the utility funds could contribute to the project if the work is related to sewer and electric improvements similar to the DeBenedetti Park project.

In response to Council Member Hansen, Mr. Sandelin confirmed that the two options are to proceed on the project in a piecemeal fashion as the money becomes available or proceed with the project as presented with the scheduled timing and funding.

In response to Mayor Pro Tempore Mounce, City Attorney Schwabauer stated he will research the options associated with the utility fund contributions to the general fund for the project as

requested.

A brief discussion ensued between Mayor Johnson, Council Member Hansen, and Mr. Bartlam regarding the opportunities associated with the naming of various areas at the Grape Bowl in a manner that is similar to Hutchins Street Square facilities.

In response to Mayor Pro Tempore Mounce, Mr. Bartlam stated the Department of Housing and Urban Development (HUD) does not have an answer to what happens to the loan program if Community Development Block Grant (CDBG) funding is eliminated, which is unlikely.

In response to Council Member Hansen, Mr. Sandelin stated the City does have a commitment from Waste Management to contribute \$1 million per year for seven years and it is up to the Council on how it would like to leverage that commitment.

In response to Mayor Pro Tempore Mounce, Mr. Bartlam and Mr. Sandelin confirmed that HUD allows loan repayment over 20 years and there would still be funds to spend on other projects with the repayment of the loan from annual CDBG proceeds. Mr. Bartlam confirmed that, while there is a flag at the facility, it is not on a pole.

In response to Ed Miller, Mr. Bartlam stated the expenditure of another \$2.4 million would not make the facility fully Americans with Disabilities Act (ADA) compliant. Mr. Bartlam stated that amount will provide ADA compliant permanent restrooms and concessions, access and seating, and most importantly keep the Transition Plan moving forward.

David Aiken, Chair of the Recreation Commission, provided a report of the Commission's actions pertaining to the project, stating the Commission voted to not approve the proposed project because of the shortcomings such as the scoreboard that can be addressed with additional funding.

In response to Council Member Nakanishi, Mr. Bartlam and Mr. Sandelin confirmed approximately \$2.5 million has been expended already on the Grape Bowl project and another \$2.4 million would keep the facility operational.

In response to Council Member Hansen, Parks, Recreation, and Cultural Services Director Jim Rodems stated there is an approximate \$376,000 shortfall, which needs to be addressed so that the facility can be appropriately managed and become a revenue generator into the future.

Discussion ensued between Council Member Hansen and Mr. Rodems regarding the ability to raise funds for the multi-use facility to address the financial shortcomings with public and private options.

Council Member Hansen made a motion, second by Mayor Pro Tempore Mounce, to approve Phase 3 improvements in its entirety as presented and direct Mr. Rodems to come back to the City Council with a financial plan for the additional funding needed.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Noes: None

Absent: None

I-2 Discuss and Provide Direction Regarding Amendments to City Council Protocol Manual Sections 7.4 (Use of City Letterhead) and 7.9 (League of California Cities)

Communications) (CLK)

City Clerk Randi Johl provided a brief overview of the proposed action as outlined in the Council Communication.

Mayor Pro Tempore Mounce made a motion, second by Council Member Katzakian, to amend the City Council Protocol Manual Sections 7.4 (Use of City Letterhead) and 7.9 (League of California Cities Communications) as requested and set forth in the staff report.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Noes: None

Absent: None

J. Ordinances - None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 10:30 p.m.

ATTEST:

Randi Johl  
City Clerk

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, OCTOBER 11, 2011**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 11, 2011, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, and Mayor Johnson

Absent: Mayor Pro Tempore Mounce

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Presentation by San Joaquin Council of Governments Regarding Smart Growth Plan (PW)

City Manager Rad Bartlam provided a brief introduction to the subject matter of the Measure K Regional Smart Growth Program.

Sam Kaur, representing the San Joaquin Council of Governments, provided a PowerPoint presentation regarding the Measure K Regional Smart Growth Program. Specific topics of discussion included voter approval in 2006, funding breakouts, eligible applicant and activities, infill development, neighborhood revitalization, downtown improvements, examples of projects, review of preliminary infill sites, and countywide workshops.

In response to Mayor Johnson, Ms. Kaur stated an example of a corridor would include the bike lanes, pedestrian walkways, and street hardware along Lodi Avenue, which encourage pedestrian usage versus driving.

In response to Ed Miller, Mr. Bartlam provided an example of an infill site in Lodi on Lockeford and School Streets, which is a vacant site that could use improvement.

In response to Mayor Johnson, Mr. Bartlam stated if you develop infill within the City then there is a transportation savings because you are not having to expand or create new roads such as Harney Lane and that savings can then be used for bigger projects. Mr. Bartlam stated Lodi stacks up well when it comes to receiving the funding in comparison to other communities.

In response to Council Member Hansen, Public Works Director Wally Sandelin stated the existing savings will be spent on the E-map project and the Lodi Avenue multi-modal/train station project; although, the Cherokee Lane project may also be a contender.

In response to Mayor Johnson, Mr. Sandelin stated the Sacramento Street project would be a continuation of the World of Wonders Science Museum improvement project.

In response to Council Member Hansen, Mr. Sandelin stated with respect to timing on the Lockeford Street project staff is in the appraisal phase for acquisition of right of way and the project is approximately six years out.

In response to Council Member Nakanishi, Ms. Kaur stated \$1.5 million has been allocated from the \$65 million amount, of which Lodi received approximately \$750,000. She stated the City selects the projects to bring forward and the Board makes the ultimate decision on project

funding.

In response to Mayor Johnson, Mr. Bartlam stated when there is a call for projects a review committee makes a recommendation to the Board, which is why it is important to select projects that will score well.

In response to Mayor Johnson, Mr. Bartlam stated Main Street would qualify for improvements and funding because it is an attractive infill site with close proximity to transportation.

In response to Mr. Bartlam, Ms. Kaur reviewed the public attendance numbers at the workshops held in Stockton, Tracy, and Ripon.

In response to Myrna Wetzel, Mr. Bartlam stated the infill sites have not yet been selected and all possible sites will be considered by the Planning Commission and brought down to five specific sites. Mr. Bartlam stated generally speaking any vacant half-acre or more site will be considered and they generally are located in downtown or the east side of town. Mr. Bartlam stated to the best of his knowledge none of the sites are currently being used for residential or business.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:28 a.m.

ATTEST:

Randi Johl  
City Clerk

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, OCTOBER 18, 2011**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 18, 2011, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Absent: None

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Presentation on Climate Action Plans (CM)

City Manager Rad Bartlam provided an overview of climate action plans as set forth in the Council Communication. Specific topics of discussion included federal and state laws including SB 375 and AB 32, Proposition 23 and the intent of the voters, the requirement to adopt a climate action plan based on the General Plan, grant funding from the Department of Housing and Urban Development and Department of Transportation for the compact of cities, the makeup of the San Joaquin Valley compact, and the overall need to adopt a climate action plan.

In response to Council Member Katzakian, Mr. Bartlam stated Turlock adopted a climate action plan as a part of its General Plan adoption, whereas Lodi is adopting its climate action plan as an implementing measure to the General Plan.

In response to Mayor Pro Tempore Mounce, Mr. Bartlam stated Tracy adopted a sustainability project, which likely meets its requirement to adopt a climate action plan.

In response to Mayor Pro Tempore Mounce, Mr. Bartlam stated he is not sure about the specific penalties associated with non-compliance as the plan is meant to be a goal document.

In response to Mayor Johnson, Mr. Bartlam stated staff did not look at other funding opportunities for the project because based on the timing the compact of cities had come together and the grant funding that was received was likely.

In response to Council Member Katzakian, Mr. Bartlam provided an overview of the General Plan, the implementing measure of the climate action plan, and the areas to be studied.

In response to Council Member Katzakian, Mr. Bartlam stated the grant was for \$200,000 and the estimated cost of the study is \$120,000, although proposals have not yet been received.

In response to Council Member Hansen, Mr. Bartlam stated the market of consultants doing this type of work is growing based on increased regulations and a consultant will be used due to the required expertise and lack of in-house staff with reductions.

In response to Mayor Johnson, Mr. Bartlam stated Roseville is not any different than anyone else and it is a policy decision as to how regulatory the City should be. He stated he sees more of a focus on internal practices in the City rather than going out to businesses.

Discussion ensued amongst the City Council and Mr. Bartlam regarding the State's effort to oversee and enforce the regulations, funding availability through grants versus the General Fund, and the timing and implementation discretion associated with the adoption of the plan.

In response to Mayor Pro Tempore Mounce, Mr. Bartlam stated while the plan could sit on a shelf after adoption the law requires both adoption and implementation although there is discretion in the level of implementation.

In response to Council Member Hansen, Mr. Bartlam stated the study will take a year to complete.

In response to Council Member Hansen, City Attorney Schwabauer provided a brief overview of the fight between the City of Half Moon Bay and the State, which resulted in fines and the building of a new sewage treatment plant.

Ed Miller stated he agreed with the general sentiment that the climate action plan does need to be adopted because it is the law but implementation should be at a bare minimum because of costs.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:40 a.m.

ATTEST:

Randi Johl  
City Clerk

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, OCTOBER 25, 2011**

The October 25, 2011, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Randi Johl  
City Clerk



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Accept the Quarterly Investment Report as Required by Government Code Section 53646 and the City of Lodi Investment Policy

**MEETING DATE:** November 2, 2011

**PREPARED BY:** Deputy City Manager

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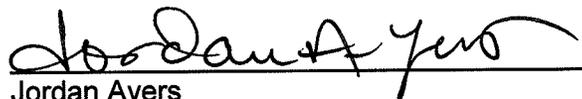
**RECOMMENDED ACTION:** Accept the quarterly investment report as required by Government Code Section 53646 and the City of Lodi Investment Policy.

**BACKGROUND INFORMATION:** Government Code Section 53646 and the City of Lodi Investment Policy require that local agency treasurers submit a quarterly report on investments to the legislative body of the local agency.

The total of all invested funds as of the quarter ending September 30, 2011 is \$73,957,236.82.  
The average annualized return on all invested funds over the quarter has been 0.412 percent.

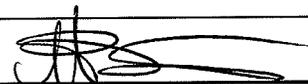
**FISCAL IMPACT:** Not applicable

**FUNDING AVAILABLE:** As per attached report.

  
\_\_\_\_\_  
Jordan Ayers  
Treasurer

Attachment

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**APPROVED:**   
\_\_\_\_\_  
Konradt Bartlam, City Manager

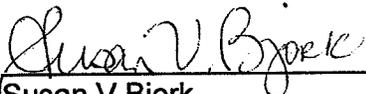


**CITY OF LODI  
INTERNAL SERVICES DEPARTMENT  
BUDGET DIVISION**

**September 30, 2011 INVESTMENT STATEMENT**

<b>Local Agency Investment Funds *</b>	<b>84% of Portfolio</b>	
Avg. interest earnings as of 09-30-11	0.38%	
LODI	Local Agency Inv Fund (LODI)	37,923,298.89
LPIC	Local Agency Inv Fund (LPIC)	24,182,241.74
	<b>Subtotal LAIF</b>	<b>62,105,540.63</b>
<b>Certificates of Deposit</b>	<b>1.0% of Portfolio</b>	
matures 03/08/2012	Bank of Ag. & Comm. (cost) 0.70% int.	250,000.00
matures 03/03/2012	UMPQUA Bank (cost) 0.75% int.	250,000.00
matures 03/18/2012	Central Valley Comm. Bank (cost) 0.85% int.	250,000.00
	<b>Subtotal CD</b>	<b>750,000.00</b>
<b>Passbook/Checking Accounts</b>	<b>15% of Portfolio</b>	
Farmers & Merchants	demand account - no interest earnings	1,255,856.59**
Farmers & Merchants - Money Mkt.	0.55% interest earnings	5,557,434.72
Farmers & Merchants - Payroll	demand account - no interest earnings	50,175.13
Farmers & Merchants - Central Plume	demand account - no interest earnings	8,154.96
Farmers & Merchants - CP Money Mkt.	0.55% interest earnings	4,230,074.79
	<b>Subtotal P/C Accts</b>	<b>11,101,696.19</b>
	<b>TOTAL</b>	<b>\$73,957,236.82</b>

Based on the approved budget and to the extent the budget is adhered to, liquidity is available, and the City will be able to meet its expenditure requirements for the next six months. This portfolio is in compliance with the City of Lodi Investment Policy.

  
 \_\_\_\_\_  
 Susan V Bjork  
 Supervising Budget Analyst

10/17/2011  
 \_\_\_\_\_  
 Date

\* In accordance with the terms of the Local Agency Investment Fund, invested funds may be utilized on the same day if transaction is initiated before 10:00 a.m.

\*\* This amount is a compensating balance required to obtain an earnings credit rate.



**CITY OF LODI  
COUNCIL COMMUNICATION**

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**AGENDA TITLE:** Adopt Resolution Approving the City of Lodi Annual Investment Policy and Internal Control Guidelines

**MEETING DATE:** November 2, 2011

**PREPARED BY:** Deputy City Manager/Treasurer

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**RECOMMENDED ACTION:** Adopt resolution approving the City of Lodi Annual Investment Policy and internal control guidelines.

**BACKGROUND INFORMATION:** California Government Code Section 53646 endorses an annual review of the City's Investment Policy by City Council. Accordingly, the attached policy is presented for Council review and approval.

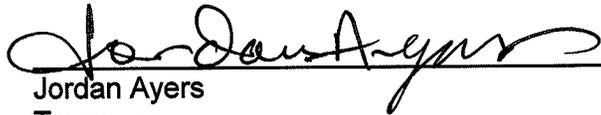
Staff recommends adding language which will allow investments in the Investment Trust of California (CalTRUST). CalTRUST, formed by the California State Association of Counties and the League of California Cities, offers another investment alternative to public agencies. Incorporating this alternative into the Investment Policy provides staff with the ability to invest with this vehicle. Additionally, position titles have been updated throughout the policy. All revisions are reflected in the attached policy by strikethroughs.

The policy is in compliance with state laws governing the investment of local agency funds and provides internal control guidelines to protect City of Lodi funds from misappropriation, speculation and fraud. The objectives of Lodi's Investment Policy remain, in priority order: safety, liquidity, and return.

As part of the audit practices of the City's audit firm (Macias Gini & O'Connell LLP) the Policy has been found to be in compliance with the requirements of Government Code Section 53601.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** Not Applicable.

  
Jordan Ayers  
Treasurer

Attachment

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APPROVED:

  
Konradt Bartlam, City Manager

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**CITY OF LODI**  
**INVESTMENT POLICY**  
**AND**  
**INTERNAL CONTROL GUIDELINES**

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TABLE OF CONTENTS

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<b>SECTION</b>	<b>DESCRIPTION</b>	<b>Page</b>
<b>I</b>	<b>Investment Policies</b>	
	Introduction	1
	Scope	1
	Objectives	1
	Delegation of Authority	2
	Prudence	2
	Ethics and Conflicts of Interest	3
	Monitoring and Adjusting the Portfolio	3
	Internal Controls	3
	Reporting	3
	Authorized Investments	4
	Banks and Security Dealers	6
	Purchase of CD's from Local Institutions	7
	Safekeeping and Collateralization	8
	Administration	8
<b>II</b>	<b>Internal Controls</b>	
	General	11
	Procedures	12
	Treasury Function Responsibilities	13
<b>III</b>	<b>Sample of Investment Forms</b>	
	Investment Bid Sheet	15
	Broker/Dealer Questionnaire	16
<b>IV</b>	<b>Glossary</b>	21

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**INVESTMENT  
POLICIES**

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**INVESTMENT POLICY**

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**1. INTRODUCTION**

The purpose of this policy is to state the City's policies and procedures to be used for the investment of surplus funds in a prudent and systematic manner conforming to all state and local statutes governing the investment of public funds. Safety of principal is given the highest priority. In addition, this statement is intended to formalize investment-related activities to provide the highest investment return with maximum security while meeting daily cash flow demands.

**2. SCOPE**

The investment policy applies to all funds under the direct authority of the Deputy City Manager/City Treasurer of the City of Lodi, including but not limited to the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds and Trust and Agency Funds. All funds are accounted for in the City's Comprehensive Annual Financial Report. This policy is generally applicable to bond proceeds with consideration given to specific provisions of each issuance.

**3. OBJECTIVES**

Funds of the City will be invested with the following objectives in priority order:

**Safety:**

Safety of principal is the foremost objective of the investment program. Investments of the City of Lodi shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The City of Lodi will diversify its investments by security type and institution. Financial institutions and broker/dealers will be prequalified and monitored as well as investment instruments they propose.

**Liquidity:**

The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. This will be accomplished through maturity diversification in accordance with California Government Code 53635 and the State Local Agency Investment Fund with immediate withdrawal provision.

**INVESTMENT POLICY**

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**Return on Investments:**

The City's investment portfolio shall be invested to achieve a "bench marked average" rate of return through economic cycles, that will protect these funds from the effects of inflation and the risks associated with higher returns, as long as it does not diminish the objectives of Safety and Liquidity, while preserving and protecting capital in the overall portfolio.

The "bench marked average" rate of return targeted to achieve this objective is the annual rate of return on the one-year U.S. Treasury Bill. Whenever possible and in a manner consistent with the objectives of safety of principal and liquidity, a yield higher than the "bench marked average" rate of return shall be sought.

**4. DELEGATION OF AUTHORITY**

The Treasurer is designated by the authority of the legislative body as the investment officer of the City as provided for in Government Code Section 53607 and is responsible for the investment decisions and activities of the City. The Treasurer will develop and maintain written administrative procedures for the operation of the investment program, consistent with this investment policy. The Treasurer shall hereafter assume full responsibility for such transactions until such time as the delegation of authority is revoked, and shall make a monthly report of such transactions to the legislative body. In order to optimize total return through active portfolio management, daily activity may be delegated to the ~~Senior~~ Supervising Budget Analyst.

**5. PRUDENCE**

The standard of prudence to be applied by the Treasurer will be the "prudent investor" standard, in accordance with Government Code Section 53600.3 which states "...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

**INVESTMENT POLICY**

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**6. ETHICS AND CONFLICTS OF INTEREST**

The City Treasurer is governed by The Political Reform Act of 1974 regarding disclosure of material financial interests as well as Government Code Section 87103. The City Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions.

**7. MONITORING AND ADJUSTING THE PORTFOLIO**

The Treasurer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly.

**8. INTERNAL CONTROLS**

The Treasurer will establish a system of written internal controls, which will be reviewed annually by the City's independent audit firm. The controls will be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions.

**9. REPORTING**

The Treasurer will submit a quarterly investment report to the City Council, in accordance with Government Code Section 53646, to disclose the following information:

- A listing of individual securities held at the end of the reporting period by authorized investment category.
- Percentage of the portfolio represented by each investment category.
- Institution
- Average life and final maturity of all investments listed.
- Coupon, discount or earnings rate.
- Par value or cost of the security
- Current market value of securities with maturity in excess of 12 months and the source of this valuation.
- Ability of the city to meet its expenditure requirements for the next six months or provide an explanation of why sufficient funds will not be available as required by Gov. Code 53646 (b)(3).

The quarterly investment report to the Lodi City Council, acting legislative authority, as required by Government Code Section 53646, will be in addition to the Treasurer's monthly report and accounting of all receipts, disbursements and fund balances.

**INVESTMENT POLICY**

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In addition, the investment policy will be submitted to the City Council annually in November. Any changes will be noted and formal adoption in the form of a resolution of the City Council is required.

**10. AUTHORIZED INVESTMENTS**

The City will invest surplus funds not required to finance the immediate needs of the City as provided in California Government Code Sections 16429.1, 53601, 53601.6, 53601.7, 53601.8, 53635, 53635.2, 53638 and 53684. In selecting authorized investments consideration must be given to credit ratings and collateralization of applicable instruments. A list of these instruments is provided below. These limitations, diversification and maturity scheduling will depend upon whether the funds being invested are considered short-term or long-term funds. All funds will be considered short-term except those reserved for capital projects (i.e. bond sale proceeds) and special assessment prepayments being held for debt retirement.

**Pooled Accounts**

The City of Lodi is authorized by policy, to invest in the Local Agency Investment Fund (LAIF), a voluntary program created by statute, which began in 1977 as an investment alternative for California's local governments and special districts and continues today under the State Treasurer's Administration. The enabling legislation of the LAIF is Section 16429.1,2,3 of the California Government Code.

The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1953 and has oversight provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and market valuation is conducted monthly.

It has been determined that the State of California cannot declare bankruptcy under Federal regulations, thereby allowing the Government Code Section 16429.3 to stand. This Section states that "money placed with the state treasurer for deposit in the LAIF shall not be subject to either: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency."

The LAIF provides a book entitled "The Local Agency Investment Fund Answer Book" which resides in the City of Lodi Treasurer's office and provides current answers to the following questions, which are required prior to investing in any pooled/fund account.

## INVESTMENT POLICY

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- A description of eligible investment securities and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listing.
- A fee schedule and when and how it is assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

The City of Lodi is authorized by policy to invest in shares issued by the Investment Trust of California (CalTRUST), a joint powers authority created under the authority of California Government Code Section 6509.7, as an investment alternative for California's local governments and special districts. CalTRUST began in 2005 and has oversight provided by a Board of Trustees, consisting of experienced local treasurers and finance directors.

All securities purchased by CalTRUST are securities which are eligible for direct local agency investment under the authority of California Government Code Section 53601. All securities are purchased at market value, and market valuation of all securities in the CalTRUST portfolios is conducted on a daily basis. The CalTRUST program offers three account options: the CalTRUST Heritage Money Market option, which provides same-day liquidity (access to funds); the CalTRUST Short-Term Fund, which offers next-day liquidity; and the CalTRUST Medium-Term Fund, which provides monthly liquidity.

### **Short-Term Portfolio Diversification**

The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities.

Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment will be made in any security which at the time of the investment has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as part of an investment program and approved by the City Council no less than three months prior to the investment.

<b>Permitted Investments</b>	<b>Maximum Maturity</b>	<b>Percent of Portfolio</b>
U.S. Treasury Obligations (Bills, notes and bonds)	5 Years	100%
U.S. Government Agency Securities and Instrumentalities	5 Years	100%
Bankers Acceptances	180 days	40%
Certificates of Deposit	5 Years	100%
Negotiable Certificates of Deposit	5 Years	30%
Commercial Paper	270 days	40%
California State Local Agency Investment Fund	Indefinite	100%
Passbook Deposits	Indefinite	100%
Repurchase Agreements	Not Authorized	N/A
Reverse Repurchase agreements	Not Authorized	N/A
Mutual Funds	Indefinite	20%
Medium Term Notes	5 Years	30%
CalTRUST Pooled Accounts	Indefinite	100%

The City Treasurer will not invest in Repurchase Agreements and Reverse Repurchase agreements. Pooled funds invested for the City by entities such as California State Local Agency Investment Fund, and NCPA may invest in repurchase and reverse repurchase agreements. If repurchase agreements are legal and authorized, by policy, a Master Repurchase Agreement must be signed with the bank or dealer.

#### **Diversification by Financial Institution**

##### **Bankers' Acceptances (Bas)**

No more than 25% of the total portfolio with any one institution.

##### **Certificates of Deposit (CDs)**

No more than 33% of the total portfolio with any one institution.

##### **California State Local Agency Investment Fund**

No more than \$50 million in any one account, effective November 16, 2009.

#### **Maturity Scheduling**

Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, bond payments) as well as considering sizable blocks of anticipated revenue (taxes, franchise fees). Maturities in this category will be timed to comply with the following guidelines:

Under 30 days	10% minimum
Under 90 days	25% minimum
Under 270 days	50% minimum
Under 1 year	75% minimum
Under 18 months	90% minimum
Under 2 years	95% minimum
Under 5 years	100% minimum

**INVESTMENT POLICY**

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**Long-Term Portfolio Diversification**

Investments and diversification for the long-term portfolio will be the same as the short-term portfolio. Maturity scheduling will be timed according to anticipated need. For example, investment of capital project funds will be timed to meet contractor payments, usually for a term not to exceed three years. Investment of prepaid assessment funds will be tied to bond payment dates, after cash flow projections are made using a forecasting model which considers prepayment rate, delinquency rate, interest on bonds and income on investments.

**11. BANKS AND SECURITY DEALERS**

The Treasurer will consider the credit worthiness of institutions in selecting financial institutions for the deposit or investment of City funds. These institutions will be monitored to ensure their continued stability and credit worthiness.

Investment transactions will only be made with pre-approved financial institutions. Banks will provide their most recent Consolidated Report of Condition ("call report") at the request of the Treasurer.

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved security brokers/dealers selected for credit worthiness, who maintain an office in the State of California. This includes primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with the following:

- Audited financial statements
- Proof of Financial Industry Regulatory Authority registration.
- Trading Resolution
- Proof of State Registration
- Completed broker/dealer questionnaire
- Certification of having read the City of Lodi's investment policy and depository contracts.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Treasurer. The City will not normally use more than three qualified dealer/brokers to obtain bids.

**INVESTMENT POLICY**

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**12. PURCHASE OF CDs FROM LOCAL INSTITUTIONS**

To the extent reasonable and within the limits specified above, the Treasurer may purchase a Certificate of Deposit, up to the amount fully insured by the Federal Deposit Insurance Corporation (FDIC), from each bank and savings and loan institution located within the corporate limits of the City to promote economic development and as a statement of support for those institutions maintaining an office in Lodi. These investments are limited to those institutions which offer Certificates of Deposit insured by the Federal Deposit Insurance Act and have a Community Reinvestment Act Rating of satisfactory or above.

To aid in the diversification of the portfolio, additional Certificates of Deposit in amounts up to fully insured FDIC limits, may be purchased from local institutions provided the investment has the safety, liquidity and a rate of return comparable to that offered from LAIF at the time the original investment is made.

**13. SAFEKEEPING AND COLLATERIALIZATION**

All investment securities purchased by the City will be held in third-party safekeeping by an institution designated as primary agent. The custodian will hold these securities in a manner that establishes the City's right of ownership. The primary agent will issue a safekeeping receipt to the City listing the specific instruments, rate, maturity and other pertinent information. Deposit type securities (i.e., certificates of deposit) will be collateralized.

Collateral for time deposits in savings and loans will be held by the Federal Home Loan Bank or an approved Agent of Depository. If collateral is government securities, 110% of market value to the face amount of the deposit is required. Promissory notes secured by first mortgages and first trust deeds used as collateral require 150% of market value to the face amount of the deposit. An irrevocable letter of credit issued by the Federal Home Loan Bank of San Francisco requires 105% of market value to the face amount of the public deposit.

The collateral for time deposits in banks should be held in the City's name in the bank's Trust Department, or alternately, in the Federal Reserve Bank. The City may waive collateral requirements for deposits which are fully insured up to limits prescribed by the FDIC.

The amount of securities placed with an agent of depository will at all times be maintained in accordance with California Government Code 53652.

**INVESTMENT POLICY**

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**14. ADMINISTRATION**

The following administrative policies will be strictly observed:

**a. Payment**

All transactions will be executed on a delivery versus payment basis which should be done by the City's safekeeping agent.

**b. Bid**

A competitive bid process in which three competitive bids are obtained, when practical, will be used to place all investment purchases. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, bids will be requested for instruments which meet the maturity requirement. If no specific maturity is required, a market trend (yield curve) analysis will be conducted to determine which maturities would be most advantageous.

**c. Wire Transfers**

All wire transfers will be approved by the Treasurer or ~~Senior~~ Supervising Budget Analyst. The City's bank will verify each transaction with a predetermined City employee other than the individual sending the wire transfer.

Pre-formatted wire transfers will be used to restrict the transfer of funds with preauthorized accounts only.

**d. Confirmations**

Receipts for confirmation of a purchase of authorized securities should include the following information: trade date; par value; maturity; rate; price; yield; settlement date; description of securities purchased; net amount due; third-party custodial information. Confirmations of all investment transactions are to be received by the Treasurer within three business days.

**e. Pooled Cash**

The City will consolidate into one bank account and invest on a pooled concept basis. Interest earnings will be allocated monthly based on current cash balances.

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**INTERNAL  
CONTROLS**

## INTERNAL CONTROLS

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### GENERAL

Through this system of internal control, the City is adopting procedures and establishing safeguards to prevent or limit the loss of funds invested or held for investment due to errors, losses, misjudgments and improper acts. Internal control procedures are not intended to address every possible situation but are intended to provide a reasonable and prudent level of protection for the City's funds.

#### 1. Objectives

These procedures and policies are established to ensure:

- the orderly and efficient conduct of investment practices, including adherence to investment policies
- the safeguarding of surplus cash
- the prevention or detection of errors and fraud
- the accuracy and completeness of investment records
- the timely preparation of reliable investment reports.

#### 2. General Control Policies

The following policies are to be used to safeguard investments:

- **Organization**

A description of responsibilities and procedures for the investment of City funds, lines of authority and reporting requirement will be maintained.

- **Personnel**

Only qualified and assigned personnel will be authorized to approve investment transactions; make and liquidate investments; maintain investment records; and maintain custody of negotiable instruments. Personnel assigned responsibility for the investment of City surplus funds will maintain their professional qualifications by continued education and membership in professional associations.

- **Segregation of functions**

No one having general ledger functions will have responsibility for the investment of City funds.

- **Safekeeping**

All securities are to be held in the name of the City of Lodi. The City will contract with a third party, usually a bank, to provide custodial services and securities safekeeping. Although a cost is involved, the risk of losing physical securities outweighs the fees involved. Preference should be given to custodial services which include reporting services as part of their service, including marking the portfolio to market value, performance evaluation and internal reporting.

## INTERNAL CONTROLS

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- **Reconciliation of records**  
Regular and timely reconciliation will be made of detailed securities records with the general ledger control account.
  
- **Performance evaluation**  
Performance statistics will be maintained and reported monthly as provided in the Investment Policies. The indices to be used is the rate of return for the one-year U.S. Treasury Bill and the annual rate of return for the Local Agency Investment Fund (LAIF) managed by the State Treasurer's Office.

## PROCEDURES

### 1. Assigned Responsibilities

#### a. City Council responsibilities:

- Adoption of City's investment policies by Resolution
- Review and evaluation of investment performance.

#### b. Deputy City Manager/Treasurer duties and responsibilities:

- Formulating, recommending and implementing the City's investment policies
- Approves all investment transactions prior to execution of any transaction
- Approves broker/dealer arrangements.

#### c. ~~Senior~~ Supervising Budget Analyst duties and responsibilities:

- Recommends broker/dealer arrangements
- Recommends investments
- Executes investment transactions
- Maintains records of all investment transactions
- Prepares monthly investment report for City Council review
- Prepare fiscal year end investment reports for City's independent audit firm review
- Review's financial condition of the City's depositories (banks) at least annually for compliance with collateralization requirements under government code and financial condition and reports results to City Treasurer.

#### d. Financial Services Manager duties and responsibilities:

- Maintains general ledger control account and duplicate records of investment transactions
- Verifies investment records and reconciles detailed securities records with general ledger control accounts.

#### e. City's independent audit firm.

- Will review the City's investment policies and procedures and make appropriate recommendations and findings as to compliance and steps to be taken to improve internal controls.

**TREASURY FUNCTION RESPONSIBILITIES**

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**FUNCTION**

**RESPONSIBILITIES**

**1. Recommendations:**

- Recommends broker/dealer arrangements
- Recommends investments

Senior Supervising Budget Analyst  
Senior Supervising Budget Analyst

**2. Authorization of Investment Transactions**

- Formal investment policy prepared by
- Formal investment policy approved by
- Investment transactions approved by
- Broker/deal arrangements approved by

Deputy City Manager/Treasurer  
City Council  
Deputy City Manager/Treasurer  
Deputy City Manager/Treasurer

**3. Execution of Investment Transactions**

Senior Supervising Budget Analyst

**4. Recording of Investment Transactions**

- Recording of transactions in Treasurer's records
- Recording of transactions in Accounting records

Senior Supervising Budget Analyst  
Financial Services Manager

**5. Safeguarding of assets and records**

- Maintenance of Treasurer's records
- Reconciliation of Treasurer's records to accounting records
- Review of (a) financial institution's financial condition, (b) safety, liquidity, and potential yields of investment instruments, and (c) reputation and financial condition of investment brokers
- Periodic reviews of collateral
- Review and evaluation of performance

Senior Supervising Budget Analyst  
Financial Services Manager  
Senior Supervising Budget Analyst  
City Council

**6. Preparation of reports**

Senior Supervising Budget Analyst

**7. Periodic review of investment portfolio for conformance to City's investment policy**

City's Audit Firm

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**SAMPLE  
INVESTMENT FORMS**

**CITY OF LODI  
INVESTMENT BID SHEET**

Date: \_\_\_\_\_

Cycle to:  
Management Analyst \_\_\_\_\_  
Fin Services Manager \_\_\_\_\_

	Transaction #1		Transaction #2		Transaction #3	
	Invest	Withdraw	Invest	Withdraw	Invest	Sell
Recommended Selection						
Primary Dealer						
<u>Quotes</u>						
Firm						
Dealer						
Telephone #						
Security Type						
Price						
Maturity Date						
1st Call Date						
Yield to Maturity						
Purchase Price						
Cusip #						
Principal						
Discount						
Accrued Interest						
Interest Rate						
Interest Period						
Risk Category						
Trade Date						
Settlement Date						
Calculation						
Invstmnt.—Fund #						
Investment Fund #						
Issuer Code						
Cert.Acct. #						
Term of Days						

\*\*\*  
ME (Month end in advance)  
AE (Month end in arrears)  
M (Monthly in advance)  
AM (Monthly in arrears)  
QE (Quarter end)  
S (Semi-annual Actual)  
SC (Semi-Annual Equal)  
MA (Maturity)  
MD (Maturity Discount)  
LAIF BALANCE

Approval:  
Management Analyst: \_\_\_\_\_  
Fin Svcs Manager: \_\_\_\_\_  
Approval Date: \_\_\_\_\_  
Transaction Date: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Conf #: \_\_\_\_\_  
\_\_\_\_\_

**BROKER/DEALER QUESTIONNAIRE**

**CITY OF LODI TREASURER'S OFFICE**

P. O. Box 3006  
Lodi, California 95241

1. Name: \_\_\_\_\_

2. Branch Address: \_\_\_\_\_

3. Telephone No: \_\_\_\_\_

4. Primary Account Representative \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone #: \_\_\_\_\_

5. Is your firm a primary dealer in US Government Securities Y/N \_\_\_\_\_

6. Identify the personnel who will be trading with or quoting securities to our agency's employees:

Name	Title	Telephone #
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. Ntl. Headquarters Address: \_\_\_\_\_

Corporate Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Compliance Officer (Name, Address, Phone): \_\_\_\_\_

8. What was your firm's total volume in US Government and Agency securities trading last calendar year?

9. Which securities are offered by your firm?

- US Treasury
- US Treasury Notes
- US Treasury Bonds
- Agencies (specify)

- Negotiable CDs
- Commercial Paper
- BAs Domestic
- BAs Foreign
- Repurchase Agreements
- Reverse Repurchase Agreements

10. List your personnel who have read the City of Lodi Treasurer's Investment Policy

11. Please identify your public-sector clients in our geographical area who are most comparable to our government with which you currently do business.

12. Have any of your clients ever sustained a loss on a securities transaction arising from misunderstanding or misrepresentation of the risk characteristics of the instrument? If so, please explain.

13. Have any of your public-sector clients ever reported to your firm, its officers or employees, orally or in writing, that they sustained a loss exceeding 10% of the original purchase price in a single year on any individual security purchased through your firm? Explain.

14. Has your firm ever been subject to a regulatory or state/federal agency investigation for alleged improper, fraudulent, disreputable or unfair activities related to the sale of securities? Have any of your employees ever been so investigated? Explain.

15. Has a public sector client ever claimed in writing that your firm or members of your firm were responsible for investment losses?

16. Please include samples of research reports that your firm regularly provides to public-sector clients.

17. Please explain your normal delivery process. Who audits these fiduciary systems?
18. Please provide certified financial statements and other indicators regarding your firm's capitalization.
19. Describe the capital line and trading limits that support/limit the office that would conduct business with our government.
20. What training would you provide to our employees and investment officers?
21. Has your firm consistently complied with the Federal Reserve Bank's capital adequacy guidelines? As of this date, does your firm comply with the guidelines? Has your capital position every fallen short? By what factor (1.5x, 2x, etc.) Does your firm presently exceed the capital adequacy guidelines, measure of risk? Include certified documentation of your capital adequacy as measured by the Federal Reserve standards.
22. Do you participate in the Securities Investor Protection Corporation (SIPC) insurance program? If not, why?
23. What portfolio information do you require from your clients?
24. What reports, confirmations and paper trail will we receive?
25. Enclose a complete schedule of fees and charges for various transactions.
26. How many and what percentage of your transactions failed last month? Last year?
27. Describe the precautions taken by your firm to protect the interest of the public when dealing with governmental agencies as investors.
28. Is your firm licensed by the State of California as a broker/dealer? Y/N

**CERTIFICATION ATTACHED**

**CERTIFICATION**

I hereby certify that I have personally read the latest adopted resolution of investment policies and objectives of the City of Lodi Treasurer and the California Government Codes pertaining to the investments of the City of Lodi, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our firm and the City of Lodi. All sales personnel will be routinely informed of the City of Lodi's investment objectives, horizon, outlook, strategies and risk constraints whenever we are so advised. We pledge to exercise due diligence in informing the City of Lodi of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to your questionnaire.

SIGNED \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

COUNTERSIGNED \_\_\_\_\_ DATE \_\_\_\_\_  
(Person in charge of government securities operations)

NOTE: Completion of Questionnaire is only part of the City of Lodi's Certification process and DOES NOT guarantee that the applicant will be approved to do business with the City of Lodi.

On this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ before me

the undersigned Notary Public, personally appeared

personally known to me

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) subscribed to the within instrument, and acknowledged that \_\_\_\_\_ executed it.

State of \_\_\_\_\_

County of \_\_\_\_\_

WITNESS my hand and official seal.

Notary's Signature

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**GLOSSARY**

**GLOSSARY OF COMMONLY USED FINANCIAL TERMS**

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**AGENT:** an agent is a firm or individual which executes orders for others or acts on behalf of others (the principal). The agent is subject to the control of the principal and does not have title to the principal's property. The agent may charge a fee or commission for this service.

**AGENCIES:** federal agency securities and/or Government-sponsored enterprises.

**AGREEMENT:** an agreement is an arrangement or understanding between individual traders to honor market quotes within predetermined limits on dollar amount and size.

**AMORTIZATION:** straight-line reduction of debt by means of periodic payments sufficient to meet current interest charges and to pay off the debt at maturity.

**ARBITRAGE:** a technique used to take advantage of price differences in separate markets. This is accomplished by purchasing securities, negotiable instruments or currencies in one market for immediate sale in another market at a better price.

**ASKED:** the price at which securities are offered.

**AT THE MARKET:** a trading term for the buying or selling of securities at the current market price rather than at a predetermined price.

**BANKERS ACCEPTANCE (BA):** a bearer time draft for a specified amount payable on a specified date. An individual or business seeking to finance domestic or international trade draws it on a bank. Commodity products collateralize the BA. Sale of goods is usually the source of the borrower's repayment to the bank. The bank finances the borrower's transaction and then often sells the BA on a discount basis to an investor. At maturity, the bank is repaid and the investor holding the BA receives par value from the bank.

**BASIS PRICE:** price expressed in yield-to-maturity or the annual rate of return on the investment.

**BEAR MARKET:** a period of generally pessimistic attitudes and declining market prices. (Compare: Bull market)

**BELOW THE MARKET:** a price below the current market price for a particular security.

**BID AND ASKED OR BID AND OFFER:** the price at which an owner offers to sell (asked or offer) and the price at which a prospective buyer offers to buy (bid). It is often referred to as a quotation or a quote. The difference between the two is called the spread.

**BOND:** an interest-bearing security issued by a corporation, government, governmental agency or other body, which can be executed through a bank or trust company. A bond is a form of debt with an interest rate, maturity, and face value, and is usually secured by specific assets. Most bonds have a maturity of greater than one year, and generally pay interest semiannually.

**GLOSSARY OF COMMONLY USED FINANCIAL TERMS**

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**BOND ANTICIPATION NOTE (BAN):** short-term notes sold by states and municipalities to obtain interim financing for projects which will eventually be financed by the sale of bonds.

**BOND DISCOUNT:** the difference between a bond's face value and a selling price, when the selling price is lower than the face value.

**BOND RATING:** the classification of a bond's investment quality. (See: Rating).

**BOND RESOLUTION:** a legal order or contract by a governmental unit to authorize a bond issue. A bond resolution carefully details the rights of the bondholders and the obligation of the issuer.

**BOOK VALUE:** the amount at which a security is carried on the books of the holder or issuer. The book value is often the cost, plus or minus amortization, and may differ significantly from the market value.

**BROKER:** a middleman who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.

**BULL MARKET:** a period of generally optimistic attitudes and increasing market prices. (Compare: Bear Market).

**BUYERS MARKET:** a market where supply is greater than demand, giving buyers an advantage in purchase price and terms.

**CALL:** an option to buy a specific asset at a certain price within a particular period.

**CALLABLE:** a feature which states a bond or preferred stock may be redeemed by the issuer prior to maturity under terms designated prior to issuance.

**CALL DATE:** the date on which a bond may be redeemed before maturity at the option of the issuer.

**CALLED BONDS:** bonds redeemed before maturity.

**CALL PREMIUM:** the excess paid for a bond or security over its face value.

**CALL PRICE:** the price paid for a security when it is called. The call price is equal to the face value of the security, plus the call premium.

**CALL PROVISION:** the call provision describes the details by which a bond may be redeemed by the issuer, in whole or in part, prior to maturity. A Security with such a provision will usually have a higher interest rate than comparable, but noncallable securities.

**CAPITAL GAIN OR LOSS:** the amount that is made or lost, depending upon the difference between the sale price and the purchase price of any capital asset or security.

**GLOSSARY OF COMMONLY USED FINANCIAL TERMS**

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**CAPITAL MARKET:** the market in which buyers and sellers, including institutions, banks, governments, corporations and individuals, trade debt and equity securities.

**CASH SALE:** a transaction calling for the delivery and payment of the securities on the same day that the transaction takes place.

**CERTIFICATE OF DEPOSIT (CD):** debt instrument issued by a bank that usually pays interest. Institutional CD's are issued in denominations of \$100,000 or more. Maturities range from a few weeks to several years. Competitive forces in the marketplace set interest rates.

**COLLATERAL:** securities or other property, which a borrower pledges for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERAL NOTE:** a promissory note, which specifically mentions the collateral, pledged by the borrower for the repayment of an obligation.

**COMMERCIAL PAPER:** short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest-bearing.

**COMMISSION:** the brokers or agent's fee for purchasing or selling securities for a client.

**COUPON:** the annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

**COVENANT:** a pledge in the bond resolution or indenture of the issuing government to perform in a way that may benefit the bondholders, or to refrain from doing something that might be disadvantageous to them.

**COVER:** the spread between the winning bid (or offer) and the next highest bid (or the next lowest offer). It is useful as a basis for evaluation of the bids.

**COVERAGE RATIO:** the ratio of income available to pay a specific obligation versus the total amount obligated. This is a measure of financial stability.

**CREDIT ANALYSIS:** a critical review and appraisal of the economic and financial condition of a government agency or corporation. The credit analysis evaluates the issuing entity's ability to meet its debt obligations, and the suitability of such obligations for underwriting or investment.

**CURRENT MATURITY:** amount of time left to the maturity of an obligation.

**DEBENTURE:** a bond secured by the general credit of the issuer rather than being backed by a specific lien on property as in mortgage bonds.

**GLOSSARY OF COMMONLY USED FINANCIAL TERMS**

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**DEBT COVERAGE:** this term is normally used in connection with revenue and corporate bonds. It indicates the margin of safety for payment of debt, reflecting the number of times by which earnings for a certain period of time exceed debt payable during the same period.

**DEBT LIMIT (OR CEILING):** the maximum amount of debt that can legally be acquired under the debt-incurring power of a state or municipality.

**DEBT SERVICE:** interest and principal obligation on an outstanding debt. This is usually for a one-year period.

**DEFAULT:** failure to pay principal or interest promptly when due.

**DELIVERY VERSUS PAYMENT:** securities industry procedure, common with institutional accounts, whereby delivery of securities sold is made to the buying customer's bank in exchange for payment, usually in the form of cash. (Institutions are required by law to require "assets of equal value" in exchange for delivery.) Also called Cash on Delivery.

**DERIVATIVE:** contracts written between a City and a counter party such as a bank, insurance company or brokerage firms. Their value is derived from the value of some underlying assets such as Treasury Bonds or a market index such as LIBOR. Derivatives are used to create financial instruments to meet special market needs. Two contrasting reasons for the use of derivatives are: 1) to limit risk or transfer it to those willing to bear it; and, 2) to speculate about future interest rates and leverage in hope of increasing returns.

**DISCOUNT:** the difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after a sale also is considered to be at a discount.

**DIVERSIFICATION:** dividing investment funds among a variety of securities offering independent returns.

**DUE DILIGENCE:** exercising of due professional care in the performance of duties.

**FACE VALUE:** the principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

**FANNIE MAE:** trade name for the Federal National Mortgage Association.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** federal agency established in 1933 that guarantees (within limits) funds on deposit in member banks and performs other functions such as making loans to or buying assets from members banks to facilitate mergers or prevent failures.

**FEDERAL FUNDS RATE:** the rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**GLOSSARY OF COMMONLY USED FINANCIAL TERMS**

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**FEDERAL HOME LOAN BANKS (FHLB):** government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** the central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**FIDUCIARY:** an individual or group, such as a bank or trust company, which acts for the benefit of another party or to which certain property is given to hold in trust, according the trust agreement.

**FISCAL YEAR:** an accounting or tax period comprising any twelve-month period. The City's fiscal year starts July 1.

**FREDDIE MAC:** trade name for the Federal Home Loan Mortgage Corporation.

**FULL FAITH AND CREDIT:** the unconditional guarantee of the United States government backing a debt for repayment.

**GENERAL OBLIGATION BONDS (GO's):** bonds secured by the pledge of the municipal issuer's full faith and credit, usually including unlimited taxing power.

**GINNIE MAE:** trade name for the Government National Mortgage Association.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-through" is often used to describe Ginnie Maes.

**GLOSSARY OF COMMONLY USED FINANCIAL TERMS**

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**HOLDER:** the person or entity which is in possession of a negotiable instrument.

**INDEBTEDNESS:** the obligation assumed by a borrower, guarantor, endorser, etc. to repay funds which have been or will be paid out on the borrower's behalf.

**INDENTURE:** a written agreement used in connection with a security issue. The document sets the maturity date, interest rate, security and other terms for both the issue holder, issuer and, when appropriate, the trustee.

**INTEREST RATE:** the interest payable each year on borrowed funds expressed as a percentage of the principal.

**INVESTMENT:** use of capital to create more money, either through income-producing vehicles or through more risk-oriented ventures designed to result in capital gains.

**INVESTMENT PORTFOLIO:** a collection of securities held by a bank, individual, institution, or government agency for investment purposes.

**IRREVOCABLE LETTER OF CREDIT:** instrument or document issued by a bank guaranteeing the payment of a customer's drafts up to a stated amount for a specified period. It substitutes the bank's credit for the buyer's and eliminates the seller's risk. This arrangement cannot be changed or terminated by the one who created it without the agreement of the beneficiary.

**ISSUE PRICE:** the price at which a new issue of securities is put on the market.

**ISSUER:** any corporation or governmental unit, which borrows money through the sale of securities.

**JOINT AND SEVERAL OBLIGATION:** a guarantee to the holder in which the liability for a bond or note issue may be enforced against all parties jointly or any one of them individually so that one, several or all may be held responsible for its payment.

**LAIF:** trade name for California State Local Agency Investment Fund.

**LEGAL INVESTMENT:** a list of securities in which certain institutions and fiduciaries may invest as determined by regulatory agencies.

**LEGAL OPINION:** an opinion concerning the legality of a bond issue, usually written by a recognized law firm specializing in the approval of public borrowings.

**LIQUIDITY:** a liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**GLOSSARY OF COMMONLY USED FINANCIAL TERMS**

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**MARKETABILITY:** the measure of ease with which a security can be sold in the secondary market.

**MARKET ORDER:** an order to buy or sell securities at the prevailing bid or ask price on the market.

**MARKET VALUE:** the price at which a security is trading and could presumably be purchased or sold.

**MARKET VS. QUOTE:** quote designates the current bid and ask on a security, as opposed to the price at which the last security order was sold.

**MASTER REPURCHASE AGREEMENT:** a written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** the date that the principal or stated value of debt instrument becomes due and payable. It is also used as the length of time between the issue date and the due date.

**MONEY MARKET** the market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MORTGAGE BOND:** a bond secured by a mortgage on property. The value of the property used as collateral usually exceeds that of the mortgage bond issued against it.

**NEGOTIABLE:** a term used to designate a security, the title to which is transferable by delivery. Also used to refer to the ability to exchange securities for cash or near-cash instruments.

**NO PAR VALUE:** a security issued with no face or par value.

**NON-NEGOTIABLE:** a security whose title or ownership is not transferable through a simple delivery or endorsement. (See: Negotiable.)

**OBLIGATION:** a responsibility for paying back a debt.

**OFFER:** the price of a security at which a person is willing to sell.

**OFFERING:** placing securities for sale to buyers. The offering usually states the price and terms.

**OPEN MARKET OPERATIONS:** purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**GLOSSARY OF COMMONLY USED FINANCIAL TERMS**

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**PAR VALUE:** the stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

**PAYING AGENT:** the agency, usually a commercial bank, which dispenses the principal and interest payable on a maturing issue.

**PORTFOLIO:** the collection of securities held by an individual or institution.

**PREMIUM:** the amount by which the price paid for a security exceeds the par value. Also, the amount that must be paid over the par value to call an issue before maturity.

**PRIMARY DEALER:** a group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

**PRINCIPAL:** the face or par value of an instrument. It does not include accrued interest.

**PRUDENT INVESTOR RULE:** an investment standard adopted by the State of California in 1995. It states that a trustee shall consider the entire investment portfolio when determining the prudence of an individual investment; diversification is explicitly required within a portfolio; suitability of an investment is a primary determinant; and delegation of investment management is acceptable.

**PRUDENT MAN RULE:** an investment standard established in 1630. It states that a trustee who is investing for another should behave in the same way as a prudent individual of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**QUOTATION (QUOTE):** the highest bid to buy or the lowest offer to sell a security in any market at a particular time.

**RATE OF RETURN:** 1) the yield which attainable on a security based on its purchase price or its current market price. 2) This may be the amortized yield to maturity on a bond the current income returns.

**RATING:** the designation used by investors' services to rate the quality of a security's creditworthiness. Moody's ratings range from the highest Aaa, down through Aa, A, Baa, Ba, B, etc., while Standard and Poor's ratings range from the highest AAA, down through AA, A, BBB, BB, B, etc.

**REFINANCING:** rolling over the principal on securities that have reached maturity or replacing them with the sale of new issues. The object may be to save interest costs or to extend the maturity of the loan.

**REGISTERED BOND:** a bond whose principal and/or interest is payable only to that person or organization which is registered with the issuer. This form is not negotiable and it can be transferred only when endorsed by the registered owner.

## GLOSSARY OF COMMONLY USED FINANCIAL TERMS

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**REPURCHASE AGREEMENT (REPO):** agreement between a seller and a buyer, usually of U.S. Government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and, usually, at a stated time. The attraction of repos is the flexibility of maturities that makes them an ideal place to “park” funds on a very temporary basis. Dealers also arrange *reverse repurchase agreements*, whereby they agree to buy the securities and the investor agrees to repurchase them at a later date.

**REVENUE ANTICIPATION NOTES (RAN):** short-term notes sold in anticipation of receiving future revenues. The notes are to be paid from the proceeds of those revenues.

**REVENUE BOND:** a state or local bond secured by revenues derived from the operations of specific public enterprises, such as utilities. Such bonds are not generally backed by the taxation power of the issuer unless otherwise specified in the bond indenture.

**SAFEKEEPING:** a service banks offer to customers for a fee, where securities are held in the bank’s vaults for protection.

**SECURED DEPOSIT:** bank deposits of state or local government funds which, under the laws of certain jurisdictions, must be secured by the pledge of acceptable securities.

**SECONDARY MARKET:** a market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURED DEPOSIT:** bank deposits of state or local government funds which, under the laws of certain jurisdictions, must be secured by the pledge of acceptable securities.

**SECURITIES:** investment instruments such as bonds, stocks and other instruments of indebtedness or equity.

**SECURITIES & EXCHANGE COMMISSION:** agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SERIAL BOND:** bonds of the same issue, which have different maturities, coming due over a number of years rather than all at once. This allows the issuer to retire the issue in small amounts over a long period of time.

**SETTLEMENT DATE:** date by which an executed order must be settled, either by buyer paying for the securities with cash or by a seller delivering the securities and receiving the proceeds of the sale for them.

**SINKING FUND:** a reserve fund set aside over a period of time for the purpose of liquidating or retiring an obligation, such as a bond issue, at maturity.

**SPECIAL ASSESSMENT BONDS:** bonds that are paid back from taxes on the property that is benefiting from the improvement being financed. The issuing governmental entity agrees to make the assessments and earmark the tax proceeds to repay the debt on these bonds.

**SPREAD:** the difference between two figures or percentages. For example, it may be the difference between the bid and asked prices of a quote, or between the amount paid when bought and the amount received when sold.

**GLOSSARY OF COMMONLY USED FINANCIAL TERMS**

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**TAX ANTICIPATION NOTES (TAN):** short-term notes issued by states or municipalities to finance current operations in anticipation of future tax collections which would be used to repay the debt.

**TAX-EXEMPT BONDS:** interest paid on municipal bonds issued by state and local governments or agencies is usually exempt from federal taxes, and in some cases, the state and/or local taxes. The interest rate paid on these bonds is generally lower than rates on non-exempt securities.

**TERMS:** the conditions of the sale or purchase of a security.

**TREASURY BILL (T-BILL):** a non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BONDS AND NOTES:** obligations of the U. S. government which bear interest. Notes have maturities of one to seven years, while bonds have longer maturities.

**TREASURY BONDS:** long-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES:** medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**TRUSTEE:** a bank designated as the custodian of funds and the official representative for bondholders.

**UNDERWRITER:** a dealer bank or other financial institution, which arranges for the sale and distribution of a large batch of securities and assumes the responsibility for paying the net purchase price.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one-reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**YIELD:** the annual rate of return on an investment, expressed as a percentage of the investment.

**YIELD CURVE:** graph showing the term structure of interest rates by plotting the yields of all bonds of the same quality with maturities ranging from the shortest to the longest available. The resulting curve shows if short-term interest rates are higher or lower than long-term rates. For the most part, the yield curve is positive (short-term rates are lower), since investors who are willing to tie up their money for a longer period of time usually are compensated for the extra risk they are taking by receiving a higher yield.

RESOLUTION NO. 2011-\_\_\_\_

A RESOLUTION OF THE LODI CITY  
COUNCIL ADOPTING THE CITY OF LODI  
ANNUAL INVESTMENT POLICY AND  
INTERNAL CONTROL GUIDELINES

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WHEREAS, California Government Code Section 53646 endorses an annual review of a local agencies' investment policy by the local legislative body; and

WHEREAS, the City of Lodi Investment Policy requires that the Investment Policy be annually reviewed and adopted by resolution; and

WHEREAS, the Policy, on file in the office of the City Clerk, is in compliance with State laws governing the investment of local agency funds and provides internal control guidelines to protect the funds of the City from misappropriation, speculation, and fraud.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi has reviewed and hereby adopts the City of Lodi Annual Investment Policy and Internal Control Guidelines, which shall be effective this date.

Dated: November 2, 2011

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I hereby certify that Resolution No. 2011-\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 2, 2011, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk

2011-\_\_\_\_



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Approving the Purchase of 6,000 Feet of Insulated Underground Cable to Prysmian Cables and Systems USA of Lexington, South Carolina (\$60,161.70)

**MEETING DATE:** November 2, 2011

**PREPARED BY:** Electric Utility Director

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**RECOMMENDED ACTION:** Adopt a resolution awarding the purchase of 6,000 feet of insulated underground cable to Prysmian Cables and Systems USA of Lexington, South Carolina (\$60,161.70).

**BACKGROUND INFORMATION:** On August 17, 2011, the City Council approved specifications and authorized the advertisement for bids to procure 6,000 feet of 1100kcmil, 15 kV underground cable. It will be used to fill the minimum stock level for existing feeder and substation getaways in the electrical distribution system.

The Electric Utility Department (EUD) advertised bid documents on August 27, 2011. Two medium voltage cable manufacturers and suppliers requested bid documents. On September 14, 2011, bids were opened with the following results:

Prysmian Cables and Systems USA, Lexington, SC	\$60,161.70
The Okonite Company, San Ramon, CA	\$67,103.79

Staff reviewed the proposals and deemed Prysmian Cables and Systems' bid the lowest and compliant with the approved specifications. Prysmian Cables and Systems has supplied EUD's 15 kV underground cables since 2003. The last procurement from them was in October 2008.

**FISCAL IMPACT:** Procurement cost is \$60,161.70.

**FUNDING:** Included in FY 2011/12 Budget Account No. 160.1496 Electric Inventory

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Jordan Ayers  
Deputy City Manager/ Internal Services Director

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Elizabeth A. Kirkley  
Electric Utility Director

**REPARED BY:** Weldat Haile, P.E., Senior Power Engineer  
EAK/WH/1st

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**APPROVED:** \_\_\_\_\_  
Konradt Bartlam, City Manager

RESOLUTION NO. 2011-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE PURCHASE OF 6,000 FEET OF INSULATED  
UNDERGROUND CABLE FROM PRYSMIAN CABLES AND  
SYSTEMS USA, OF LEXINGTON, SOUTH CAROLINA

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 September 14, 2011 at 11:00 a.m., for the purchase of 6,000 feet of 1100kCMIL, 15 kV, ethylene propylene rubber insulated underground cable, described in the specifications therefore, approved by the City Council on August 17, 2011; and

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

Prysmian Cables and Systems USA, Lexington, SC	\$53,161.70
For returnable and refundable Steel Reels	\$ 7,000.00
Total Amount	\$60,161.70
The Okonite Company, San Ramon, CA	\$58,223.79
For returnable and refundable for	\$ 8,880.00
Total Amount	\$67,103.79

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the purchase of 6,000 feet of 1100kCMIL, 15 kV, ethylene propylene rubber insulated underground cable from Prysmian Cables and Systems USA, of Lexington, South Carolina in the amount of \$60,161.70.

Dated: November 2, 2011

I hereby certify that Resolution No. 2011-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 2, 2011, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk



# CITY OF LODI COUNCIL COMMUNICATION

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**AGENDA TITLE:** Adopt Resolution Approving the Purchase of Padmount Transformers from HEES Enterprises, Inc., of Astoria, Oregon and CG Power Systems USA, Inc. of Washington, Missouri (\$82,419.06)

**MEETING DATE:** November 2, 2011

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** Adopt a resolution approving the purchase of padmount transformers from HEES Enterprises, Inc., of Astoria, Oregon and CG Power Systems USA Inc., of Washington, Missouri (\$82,419.06).

**BACKGROUND INFORMATION:** On August 17, 2011, the City Council authorized the Electric Utility Department (EUD) to advertise for bids as necessary to meet the EUD's needs for padmount transformers through the fiscal year.

On September 14, 2011, bids were opened with four suppliers submitting proposals, two of which were deemed responsive. Life-cycle costs (total purchase price plus cost of operation based on estimated power loss during the projected life of the transformer) were evaluated as shown on the attached table of Exhibit A. HEES Enterprises, Inc., of Astoria, Ore., and CG Power Systems USA Inc., Washington, Mo. submitted responsive bids with the lowest life-cycle costs as shown below.

5 each 75kVA, 1-Phase 240/120V Pad	HEES Enterprises, Inc.	\$11,464.60
2 each 225kVA, 3-Phase, 480/277V Pad	CG Power	\$13,057.15
3 each 1500kVA, 3-Phase, 480/277V Pad	CG Power	\$57,897.31

**FISCAL IMPACT:** Procurement cost is \$82,419.06. Total life-cycle \$158,360.31

**FUNDING:** Included in FY 2011/12 Budget Account No. 160.1496 Electric Inventory

\_\_\_\_\_  
Jordan Ayers  
Deputy City Manager/Internal Services Director

\_\_\_\_\_  
Elizabeth A. Kirkley,  
Electric Utility Director

**PREPARED BY:** Weldat Haile P.E., Senior Power Engineer  
EAK/WH/lst

APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager

RESOLUTION NO. 2011-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING  
THE PURCHASE OF PADMOUNT TRANSFORMERS FROM  
HEES ENTERPRISES, INC., OF ASTORIA, OREGON, AND CG  
POWER SYSTEMS USA INC., OF WASHINGTON, MISSOURI

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 September 14, 2011, at 11:00 a.m. for the purchase of padmount transformers for the Electric Utility Department, described in the specifications therefore approved by the City Council on August 17, 2011; and

WHEREAS, said bids have been compared as to life-cycle costs, checked, and tabulated and a report thereof filed with the City Manager as shown on Exhibit A attached; and

WHEREAS, the bids meeting the City's specification with the lowest estimated life-cycle costs are shown below:

5 each 75kVA, 240/120V 1-Phase Pad	HEES Enterprises, Inc.	\$11,464.60
2 each 225kVA, 480/227V 3-Phase Pad	CG Power System	\$13,057.15
3 each 1500kVA, 480/277V 3-Phase Pad	CG Power System	\$57,897.31

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the purchase of padmount transformers as shown above, in the amount of \$82,419.06.

Dated: November 2, 2011

I hereby certify that Resolution No. 2011-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 2, 2011, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk

**EXHIBIT A. - PAD MOUNTED TRANSFORMER BID EVALUATION October 19, 2011**

Transformer Bid Evaluation																																																																													
Bid Opening: September 14, 2011																																																																													
<table border="0" style="width:100%"> <tr> <td style="width:30%"><b>Padmount</b></td> <td style="width:20%">Tax (factor): 1.0775</td> <td colspan="10"><b>Primary Windings:</b> Three-Phase, 12000 Volt, 60Hz, Delta Connected</td> </tr> <tr> <td>For 10/19/2011 Council Meeting</td> <td>No Load Loss \$/watt: 3.75</td> <td colspan="10">Single-Phase, 12000 Grd. Wye/6930 Volt, 60Hz</td> </tr> <tr> <td></td> <td>Load Loss \$/watt: 1.25</td> <td colspan="10"></td> </tr> </table>													<b>Padmount</b>	Tax (factor): 1.0775	<b>Primary Windings:</b> Three-Phase, 12000 Volt, 60Hz, Delta Connected										For 10/19/2011 Council Meeting	No Load Loss \$/watt: 3.75	Single-Phase, 12000 Grd. Wye/6930 Volt, 60Hz											Load Loss \$/watt: 1.25																																							
<b>Padmount</b>	Tax (factor): 1.0775	<b>Primary Windings:</b> Three-Phase, 12000 Volt, 60Hz, Delta Connected																																																																											
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	Load Loss \$/watt: 1.25																																																																												
<b>Bid Item 1: 75 kVA, 240/120 Volt, Single Phase Pad</b>																																																																													
											Number of units:	5	65	>1.8																																																															
Vendor	Unit Price \$	Extended Price \$	Price w/tax \$	No Load Loss (watts)	Load Loss (watts)	No Load Loss value	Load Loss value	Cost of Losses \$	Life Cycle Cost \$	Delivery (weeks)	Height (inches)	Impedance %																																																																	
HD Supply Utilities	2,387.00	11,935.00	12,859.96	116	731	2,175.00	4,568.75	6,743.75	19,603.71	20-22	24	2.140																																																																	
Pacific Utilities (ABB, Inc.)	2,440.00	12,200.00	13,145.50	125	636	2,343.75	3,975.00	6,318.75	19,464.25	9-11	32	1.980																																																																	
Hees Enterprises Inc. (Ermco Transformers)	2,128.00	10,640.00	<b>11,464.60</b>	135	686	2,531.25	4,287.50	6,818.75	<b>18,283.35</b>	8-10	28	2.000																																																																	
CG Power System	no quote																																																																												
<b>Bid Item 2: 225kVA, 480/277 Volt, Three Phase Pad,</b>																																																																													
											Number of units:	2	65	>3.5																																																															
Vendor	Unit Price \$	Extended Price \$	Price w/tax \$	No Load Loss (watts)	Load Loss (watts)	No Load Loss value	Load Loss value	Cost of Losses \$	Life Cycle Cost \$	Delivery (weeks)	Height (inches)	Impedance %																																																																	
HD Supply Utilities	7,832.00	15,664.00	16,877.96	431	1997	3,232.50	4,992.50	8,225.00	25,102.96	10-12		4.340																																																																	
Pacific Utilities (ABB, Inc.)	7,750.00	15,500.00	16,701.25	352	1791	2,640.00	4,477.50	7,117.50	23,818.75	9-11		3.890																																																																	
Hees Enterprises Inc. (Ermco Transformers)	7,089.00	14,178.00	15,276.80	434	1626	3,255.00	4,065.00	7,320.00	22,596.80	8-10	49	4.700																																																																	
CG Power System	6,059.00	12,118.00	<b>13,057.15</b>	487	1,822	3,652.50	4,555.00	8,207.50	<b>21,264.65</b>	8-10	52	3.560																																																																	
<b>Bid Item 3: 1500 kVA, 480/277 Volt, Three Phase Pad,</b>																																																																													
											Number of units:	3	90	>5.3																																																															
Vendor	Unit Price \$	Extended Price \$	Price w/tax \$	No Load Loss (watts)	Load Loss (watts)	No Load Loss value	Load Loss value	Cost of Losses \$	Life Cycle Cost \$	Delivery (weeks)	Height (inches)	Impedance %																																																																	
HD Supply Utilities	23,125.00	69,375.00	74,751.56	1938	9785	21,802.50	36,693.75	58,496.25	133,247.81	13-15		5.700																																																																	
Pacific Utilities (ABB, Inc.)	20,575.00	61,725.00	66,508.69	1434	10107	16,132.50	37,901.25	54,033.75	120,542.44	8-10		6.260																																																																	
Hees Enterprises Inc. (Ermco Transformers)	21,229.00	63,687.00	68,622.74	1599	10102	17,988.75	37,882.50	55,871.25	124,493.99	8-10	63	5.8																																																																	
CG Power System	17,911.00	53,733.00	<b>57,897.31</b>	1633	11345	18,371.25	42,543.75	60,915.00	<b>118,812.31</b>	8-10	74	5.750																																																																	
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**EXHIBIT A. - PAD MOUNTED TRANSFORMER BID EVALUATION October 19, 2011**

<b>Transformer Bid Evaluation</b>					<b>Bid Opening:</b>	September 14, 2011						
<b>Padmount</b>				Tax (factor):	1.0775		<b>Primary Windings:</b>	Three-Phase, 12000 Volt, 60Hz, Delta Connected				
				No Load Loss \$/watt:	3.75			Single-Phase, 12000 Grd. Wye/6930 Volt, 60Hz				
For 10/19/2011 Council Meeting				Load Loss \$/watt:	1.25							



# CITY OF LODI COUNCIL COMMUNICATION

TM

**AGENDA TITLE:** Adopt Resolution Approving the Third Amended and Restated Northern California Power Agency Metered Subsystem Aggregator Agreement and Authorizing Execution by the City Manager with Administration by the Electric Utility Director

**MEETING DATE:** November 2, 2011

**PREPARED BY:** Electric Utility Director

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**RECOMMENDED ACTION:** Adopt a resolution approving the Third Amended and Restated Northern California Power Agency Metered Subsystem Aggregator Agreement and authorizing execution by the City Manager, with administration by the Electric Utility Director.

**BACKGROUND INFORMATION:** This resolution updates an agreement that originated in 2002 and has been amended from time to time with Council approval to reflect changing market conditions. Like previous amendments, this one is in required for Lodi to continue participating in the California Independent System Operator (CAISO) markets. This third amendment:

- Updates various administrative details, including changes to contract representatives and business addresses
- To the extent Lodi chooses to schedule resource specific system resources in the future, the agreement will now act as the Resource Specific System Resource Agreement between Lodi, NCPA and CAISO
- NCPA will now be able to act on behalf of Lodi, in its role as MSS aggregator, to execute any amendments to the schedules of the Amended MSSA Agreement
- Revises the process used by NCPA and CAISO to exchange operational contact information to ensure the confidentiality and security of such information
- Adjusts various settlement provisions in the Agreement to reflect structural changes to CAISO's grid management charges which will become effective on January 1, 2012
- Adds language to the Amended MSSA Agreement to clarify the classification of hour ahead settlement period self-scheduled energy from load following resources and associated operational adjustments as load following energy
- Updates various schedules in the Amended MSSA Agreement to be consistent with the CAISO's current business practices
- Adds a new resource to Schedule 14 of the agreement (High Sierra Cogeneration Aggregate)
- Adds new Schedule 14(a) which lists each of the system resources that will be recognized as load following resources
- Updates the MSSA load following deviation energy formula to include the new real time CAISO sale/purchase settlement determinate

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager

The Metered Subsystem Aggregator Agreement, or its predecessor agreements, took the place of and acted as various agreements including, but not limited to, the Utility Distribution Company Agreement (UDC), the Participating Generator Agreement (PGA), and the Meter Service Agreement (MSA). The MSSA Agreement also contained many terms and conditions under which Lodi, through NCPA, operated, scheduled and settled transactions in the CAISO markets. NCPA acts as the metered subsystem aggregator and scheduling coordinator on behalf of Lodi and ten other NCPA Members; and therefore the MSSA Agreement also acted as the Metered Subsystem Aggregator Agreement for NCPA.

CAISO market rules are dynamic and change over time; therefore the MSSA Agreement must be updated and/or revised to remain consistent with current market rules and business practices. These rules and business practices consist of literally thousands of pages. The main document, the CAISO Tariff (California Independent System Operator Corporation Fifth Replacement Federal Energy Regulatory Commission Electric Tariff) can be found at <http://www.aiso.com/Documents/Conformed%20fifth%20replacement%20CAISO%20tariff%20as%20of%20September%209,%202011>. The CAISO business practice manuals can be found at <http://www.aiso.com/rules/Pages/BusinessPracticeManuals/Default.aspx>. Lodi, NCPA, the other NCPA members and CAISO staff have developed this Third Amended and Restated NCPA MSS Aggregator Agreement (Amended MSSA Agreement) to enhance certain settlement provisions contained in the MSSA Agreement, and to amend various sections of the MSSA Agreement to be consistent with the current market rules and business requirements.

The changes included in the Amended MSSA Agreement will benefit Lodi by further enhancing Lodi's ability to perform load following, streamline the process for updating the agreement in the future, and ensure the agreement remains consistent with current market rules and business practices.

The Amended MSSA Agreement has been attached to this council communication for your reference.

A more detailed summary of the changes made in the Amended MSSA Agreement is attached for your reference.

**FISCAL IMPACT:** No significant financial impact is expected from the execution of the Third Amended and Restated NCPA Metered Subsystem Aggregator Agreement.

**FUNDING AVAILABLE:** Included in the FY 2011/12 Budget Account No. 160642.8201.

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Jordan Ayers  
Deputy City Manager/Internal Services Director

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Elizabeth A. Kirkley  
Electric Utility Director

Prepared by: Matt Foskett, Manager, Rates & Resources

## **Third Amended and Restated NCPA MSS Aggregator Agreement**

### **Summary of Revisions**

#### Scope

The purpose of this document is to summarize revisions encompassed in the Third Amended and Restated NCPA MSS Aggregator Agreement (Agreement). The following describes changes applied to the Agreement by Section.

#### General Revisions

The following revisions are applied throughout the Agreement:

- Updated formatting, Section numbering and Section references throughout the Agreement
- Revised title of Agreement
  - Original title – Second Amended and Restated NCPA MSS Aggregator Agreement
  - Revised title – Third Amended and Restated NCPA MSS Aggregator Agreement
- Updated business addresses and contact information

#### Article III

The following revisions are applied in Article 3 of the Agreement:

- Section 3.3.5 (Resource Specific System Resources) – Added this new Section which will enable the Agreement to act as Lodi's Resource Specific System Resource Agreement if City elects to schedule Resource Specific System Resources in the CAISO markets at some point in the future
- Section 3.4.1 (Amendments) – Revised this Section to enable Northern California Power Agency (NCPA) to act on behalf of Lodi, to execute any amendments to the Agreement that only modify one or more schedules to the Agreement

#### Article V

The following revisions are applied in Article 5 of the Agreement:

- Section 5.4 (Single Point of Contact) – Revised this Section to clarify the process used by the Parties to exchange operational contact information

Article XII

The following revisions are applied in Article 12 of the Agreement:

- Section 12.8 (Allocation of Net RTM Bid Cost Uplift) – Revised this Section to incorporate HASP Self-Scheduled Energy from load following resources and Operational Adjustments, so that such type of energy is recognized as Load Following Energy
- Section 12.9 (Grid Management Charges Based on Uninstructed Imbalance Energy) – Deleted this Section due to changes in the CAISO market rules; no longer applicable
- Section 12.10 (Grid Management Charges Based on Instructed Imbalance Energy) – Deleted this Section due to changes in the CAISO market rules; no longer applicable
- New Section 12.9 (Grid Management Charges Based on Market Services) – Added this new Section to reflect changes in Grid Management Charge rules; City exempted from Market Service Charges associated with MSS Load Following Energy and HASP Self-Scheduled Energy from load following resources
- Section 12.11 (Load Following Deviation Band Compliance) – Revised this Section to incorporate HASP Self-Scheduled Energy from load following resources and Operational Adjustments, so that such type of energy is recognized as Load Following Energy
- Section 12.15 (MSS Net Negative Uninstructed Deviation) – Revised this Section to incorporate HASP Self-Scheduled Energy from load following resources and Operational Adjustments, so that such type of energy is recognized as Load Following Energy
- Section 12.17.3 (Emissions Costs) – Revised this Section to incorporate HASP Self-Scheduled Energy from load following resources and Operational Adjustments, so that such type of energy is recognized as Load Following Energy

Schedule 1 – NCPA's System Facilities

The following revisions are applied in Schedule 1 of the Agreement:

- Points of MSS Interconnection – Updated data to reflect 2010 Normal Delivery Capability (MW), 2010 Coincident Peak Load (MW) and 2010 Non-Coincident Peak Load (MW)

#### Schedule 6 – Operational Contact

Schedule 6 was deleted and reserved for future use.

#### Schedule 11 – Emergency Action Plan

The following revisions are applied in Schedule 11 of the Agreement:

- References – Updated and deleted various operating procedure references
- Updated language throughout the Schedule to be consistent with current business practices
- Attachment A (Off-Nominal Frequency Relay Plan) – Deleted reference to the NCPA Load Tripping Plan
- Attachment C (Relocation of Dispatch Operations) – Revised Attachment C to reflect new location of the NCPA Disaster Recovery Center

#### Schedule 13 – Existing Contracts, Encumbrances and Transmission Ownership Rights

The following revisions are applied in Schedule 13 of the Agreement:

- South of Tesla Principles – Revised MW entitlement quantities to reflect layoffs
- COTP Terminus – Updated reference to the BANC-CAISO Adjacent Balancing Authority Operating Agreement

#### Schedule 14 – Generating Units and Market-Participating Loads

The following revisions are applied in Schedule 14 of the Agreement:

- Section 1 (Technical Characteristics of Generating Units) – Added a new resource; High Sierra Cogeneration Aggregate (Resource ID: PLMSSR\_6\_HISIER)
- Section 2 (Limitations) – Updated geothermal generating facility limitations based on current geothermal operating plan

Schedule 14(a) – Load Following System Resource Description

Added Schedule 14(a) to list System Resources and Resource Specific System Resources (as applicable)

Schedule 19 – MSSA Load Following Deviation Energy Formula

The following revisions are applied in Schedule 19 of the Agreement:

- MSS Load Following Deviation Energy Formula (DOPD) – Revised the calculation of RT NCPA MSS Trade; added new billing determinate RT CAISO Sale (+)/Purchase (-) to enable City to procure/sell energy from/to the CAISO real-time market if City's generation is lost due to forced outage, and in doing so remain compliant with City's load following requirements
- Revised MSS Load Following Deviation Energy Formula (DOPD) to incorporate HASP Self-Scheduled Energy from load following resources and Operational Adjustments, so that such type of energy is recognized as Load Following Energy

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**CALIFORNIA INDEPENDENT SYSTEM  
OPERATOR CORPORATION**

**AND**

**NORTHERN CALIFORNIA POWER AGENCY  
AND  
NORTHERN CALIFORNIA POWER AGENCY  
METERED SUBSYSTEM AGGREGATOR  
AGREEMENT MEMBERS**

**THIRD AMENDED AND RESTATED  
NCPA MSS AGGREGATOR AGREEMENT**

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**TABLE OF CONTENTS**

<b>ARTICLE I – DEFINITIONS AND INTERPRETATION .....</b>	<b>4</b>
1.1 MASTER DEFINITIONS SUPPLEMENT .....	4
1.2 SPECIAL DEFINITIONS FOR THIS AGREEMENT .....	4
1.3 RULES OF INTERPRETATION .....	5
<b>ARTICLE II – TERM AND TERMINATION .....</b>	<b>6</b>
2.1 EFFECTIVE DATE .....	6
2.2 TERMINATION AND CHANGES IN NCPA MEMBERSHIP .....	6
2.2.1 Termination by Default .....	6
2.2.2 Termination on Notice .....	6
2.2.3 Filing .....	7
2.2.4 MSS Withdrawal.....	7
2.2.5 MSS Entry.....	7
<b>ARTICLE III – GENERAL TERMS AND CONDITIONS.....</b>	<b>7</b>
3.1 SCOPE OF AGREEMENT.....	7
3.2 CAISO AND NCPA RESPONSIBILITIES .....	8
3.2.1 CAISO Responsibility .....	8
3.2.2 NCPA Responsibility.....	8
3.3 RELATIONSHIP BETWEEN AGREEMENT AND CAISO TARIFF .....	8
3.3.1 Precedence of Agreement .....	8
3.3.2 Precedence of CAISO Tariff .....	9
3.3.3 Participating Generators .....	9
3.3.4 Participating Loads .....	9
3.3.5 Resource Specific System Resources.....	9
3.3.6 Utility Distribution Companies.....	9
3.3.7 Disputes .....	9
3.3.8 Participating TO.....	10
3.3.9 Written Agreements .....	10
3.4 AMENDMENT TO AGREEMENT .....	10
3.4.1 Amendments.....	10
3.4.2 Section 205 Rights .....	10
3.4.3 Operational Changes .....	10
3.5 AMENDMENT TO CAISO TARIFF .....	11
3.5.1 CAISO Tariff Amendments .....	11
3.5.2 MSS Principles.....	11
3.6 CHANGES TO CONFORM TO FERC ORDERS.....	11
<b>ARTICLE IV – INTERCONNECTION .....</b>	<b>11</b>
4.1 POINTS OF MSS INTERCONNECTION .....	11
4.2 INTERCONNECTION OPERATION STANDARDS.....	12
4.3 OPERATION, MAINTENANCE, AND LOAD SERVING RESPONSIBILITIES .....	12
4.4 EXPANSION, RETIREMENT, AND MODIFICATION OF FACILITIES .....	12
4.5 INSTALLATION OF FACILITIES AND RIGHTS OF ACCESS .....	12
4.5.1 Equipment Installation .....	12
4.5.2 Rights of Access .....	12
4.5.3 Request for Access .....	12
<b>ARTICLE V – OPERATIONS .....</b>	<b>13</b>
5.1 OUTAGES .....	13
5.1.1 Outage Coordination.....	13

5.1.2	Scheduling Outages.....	13
5.1.3	Application of Law .....	13
5.2	SAFETY AND RELIABILITY.....	13
5.3	CRITICAL PROTECTIVE SYSTEMS.....	14
5.4	SINGLE POINT OF CONTACT .....	14
5.5	TRANSMISSION LOSSES, OUTAGES, AND CONGESTION.....	14
<b>ARTICLE VI – INFORMATION SHARING .....</b>		<b>15</b>
6.1	FORECASTS.....	15
6.2	SYSTEM SURVEYS AND INSPECTIONS.....	15
6.3	MAINTENANCE SCHEDULES.....	15
6.4	RELIABILITY INFORMATION .....	15
6.5	MAJOR OUTAGE REPORTS.....	16
6.6	ANNUAL REVIEWS AND REPORTS.....	16
6.6.1	CAISO Annual Reviews and Reports .....	16
6.6.2	NCPA Annual Reviews and Reports .....	16
6.6.3	Joint Reporting.....	16
6.7	DIRECT TELEMETRY.....	16
<b>ARTICLE VII – EMERGENCY OPERATIONS .....</b>		<b>17</b>
7.1	IN GENERAL .....	17
7.1.1	Generating Unit Availability .....	18
7.1.2	CAISO Dispatch Instructions .....	18
7.1.3	Compensation.....	19
7.1.4	Communication .....	19
7.1.5	System Emergency Due to Deficiencies.....	19
7.2	NOTICE.....	19
7.3	RECORDS.....	19
7.4	LOAD SHEDDING.....	20
7.4.1	Automatic Load Shedding.....	20
7.4.2	Manual Load Shedding .....	20
7.4.3	Manual Load Shedding Priorities .....	20
7.4.4	Load Restoration.....	21
7.4.5	Coordination .....	21
7.4.6	Supply Levels .....	21
7.5	ELECTRICAL EMERGENCY PLAN .....	21
7.5.1	Coordination of EEP and EAP.....	21
7.5.2	Notification of Voluntary Load Curtailment.....	21
7.5.3	Notification of Required Load Curtailment.....	21
<b>ARTICLE VIII – LOCAL AND REGIONAL RELIABILITY .....</b>		<b>22</b>
8.1	RELIABILITY WITHIN NCPA’S SYSTEM.....	22
8.1.1	NCPA System Reliability .....	22
8.1.2	Reliability Generation .....	22
8.1.3	Reliability Support Cost.....	22
8.2	BALANCING AUTHORITY AREA RELIABILITY .....	22
8.2.1	NCPA System Reliability Generation .....	23
8.2.2	Reliability Must-Run Availability.....	23
8.3	VOLTAGE SUPPORT .....	23
8.4	BLACK START .....	23
8.5	ANCILLARY SERVICES.....	23
<b>ARTICLE IX – ACCESS &amp; SCHEDULING.....</b>		<b>24</b>
9.1	EXISTING CONTRACTS AND ENCUMBRANCES AND ACCESS TO THE CAISO CONTROLLED GRID.....	24
9.1.1	Settlement Agreement.....	24

9.1.2	Open Access to CAISO Controlled Grid .....	24
9.1.3	Use of CAISO Controlled Grid .....	24
9.1.4	Open Access to NCPA System .....	24
9.2	ACCESS TO CAISO MARKETS .....	25
9.2.1	Energy, Ancillary Services and RUC Capacity .....	25
9.2.2	Participation in the Integrated Forward Market .....	25
9.2.3	Scheduling Timelines .....	25
9.2.4	Black Start and Voltage Support .....	26
9.3	CONGESTION REVENUE RIGHTS .....	26
<b>ARTICLE X – GENERATING UNITS AND MARKET PARTICIPATING LOADS .....</b>		<b>26</b>
10.1	IDENTIFICATION OF RESOURCES .....	26
10.1.1	Technical Characteristics .....	26
10.1.2	Notification of Changes .....	26
10.1.3	Generating Unit Limitations .....	27
10.2	GENERATING UNIT OPERATION .....	27
10.2.1	Generating Unit Telemetry .....	27
10.2.2	Regulation Ancillary Service .....	28
10.3	CAISO AUTHORITY TO DISPATCH NCPA RESOURCES .....	28
10.4	WECC REQUIREMENTS APPLICABLE TO PARTICIPATING GENERATORS .....	28
10.4.1	Reliability Criteria .....	28
10.4.2	Payment of WECC Sanctions .....	28
<b>ARTICLE XI – METERING .....</b>		<b>29</b>
11.1	CAISO CERTIFIED REVENUE QUALITY METERING .....	29
11.2	METERING REQUIREMENTS .....	29
11.3	NCPA SQMD CALCULATION .....	29
<b>ARTICLE XII – CHARGES .....</b>		<b>29</b>
12.1	CHARGES GENERALLY .....	29
12.2	CONGESTION MANAGEMENT .....	29
12.3	UNACCOUNTED FOR ENERGY COSTS .....	30
12.4	RELIABILITY GENERATION .....	30
12.5	NEUTRALITY COSTS .....	30
12.6	CAISO BALANCING AUTHORITY AREA SUMMER RELIABILITY COSTS .....	30
12.7	ALLOCATION OF NET IFM BID COST UPLIFT .....	31
12.7.1	Tier 1 IFM Bid Cost Uplift .....	31
12.7.2	Tier 2 IFM Bid Cost Uplift .....	31
12.8	ALLOCATION OF NET RTM BID COST UPLIFT .....	31
12.9	GRID MANAGEMENT CHARGES BASED ON MARKET SERVICES .....	32
12.10	MSS DEVIATION BAND .....	32
12.11	LOAD FOLLOWING DEVIATION BAND COMPLIANCE .....	32
12.12	DEVIATION BAND PENALTIES CALCULATION .....	33
12.13	OPERATING AND MAINTENANCE COSTS .....	33
12.14	BILLING AND PAYMENT .....	33
12.15	MSS NET NEGATIVE UNINSTRUCTED DEVIATION .....	33
12.16	RESIDUAL UNIT COMMITMENT .....	34
12.17	EMISSIONS COSTS .....	34
<b>ARTICLE XIII – PENALTIES AND SANCTIONS .....</b>		<b>35</b>
13.1	PENALTIES .....	35
13.2	CORRECTIVE MEASURES .....	35
<b>ARTICLE XIV – DISPUTE RESOLUTION .....</b>		<b>35</b>
14.1	DISPUTE RESOLUTION .....	35

<b>ARTICLE XV – REPRESENTATIONS AND WARRANTIES</b> .....	<b>35</b>
15.1 REPRESENTATIONS AND WARRANTIES.....	35
15.2 NECESSARY APPROVALS .....	35
15.3 NCPA REPRESENTATION OF MSS MEMBERS .....	36
<b>ARTICLE XVI – LIABILITY AND INDEMNIFICATION</b> .....	<b>36</b>
16.1 LIABILITY AND INDEMNIFICATION.....	36
<b>ARTICLE XVII – UNCONTROLLABLE FORCES</b> .....	<b>36</b>
17.1 UNCONTROLLABLE FORCES .....	36
<b>ARTICLE XVIII – MISCELLANEOUS</b> .....	<b>36</b>
18.1 NOTICES.....	36
18.2 WAIVERS.....	36
18.3 GOVERNING LAW AND FORUM.....	37
18.4 MERGER.....	37
18.5 COUNTERPARTS .....	37
18.6 CONSISTENCY WITH FEDERAL LAWS AND REGULATIONS .....	37
18.7 SEVERABILITY .....	37
18.8 ASSIGNMENTS .....	38
<b>SCHEDULE 1 – NCPA’S SYSTEM FACILITIES</b> .....	<b>43</b>
<b>SCHEDULE 2 – INTERCONNECTED OPERATION STANDARDS</b> .....	<b>46</b>
<b>SCHEDULE 3 – RIGHTS OF ACCESS TO FACILITIES</b> .....	<b>50</b>
<b>SCHEDULE 4 – MAINTENANCE COORDINATION</b> .....	<b>52</b>
<b>SCHEDULE 5 – CRITICAL PROTECTIVE SYSTEMS</b> .....	<b>53</b>
<b>SCHEDULE 6 – RESERVED</b> .....	<b>54</b>
<b>SCHEDULE 7 – EMERGENCIES</b> .....	<b>55</b>
<b>SCHEDULE 8 – UNDERFREQUENCY LOAD SHEDDING</b> .....	<b>56</b>
<b>SCHEDULE 9 – OTHER AUTOMATIC LOAD SHEDDING</b> .....	<b>57</b>
<b>SCHEDULE 10 – MANUAL LOAD SHEDDING</b> .....	<b>58</b>
<b>SCHEDULE 10A – ROTATING LOAD CURTAILMENT PROCEDURES</b> .....	<b>59</b>
<b>SCHEDULE 10B – INTERRUPTIBLE LOAD</b> .....	<b>60</b>
<b>SCHEDULE 11 – EMERGENCY ACTION PLAN</b> .....	<b>61</b>
<b>SCHEDULE 12 – LOAD RESTORATION</b> .....	<b>71</b>
<b>SCHEDULE 13 – EXISTING CONTRACTS, ENCUMBRANCES AND TRANSMISSION OWNERSHIP RIGHTS</b> .....	<b>73</b>
<b>SCHEDULE 14 – GENERATING UNITS AND MARKET PARTICIPATING LOADS</b> .....	<b>75</b>

---

<b>SCHEDULE 14(A) – LOAD FOLLOWING SYSTEM RESOURCES .....</b>	<b>83</b>
<b>SCHEDULE 15 – METERING OBLIGATIONS .....</b>	<b>89</b>
<b>SCHEDULE 16 – TRANSMISSION RELIABILITY CRITERIA .....</b>	<b>95</b>
<b>SCHEDULE 17 – CONTACTS FOR NOTICES.....</b>	<b>97</b>
<b>SCHEDULE 18 – MSS MEMBERS .....</b>	<b>99</b>
<b>SCHEDULE 19 – MSSA LOAD FOLLOWING DEVIATION ENERGY FORMULA .....</b>	<b>100</b>

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
AND  
NORTHERN CALIFORNIA POWER AGENCY  
AND  
NORTHERN CALIFORNIA POWER AGENCY METERED SUBSYSTEM  
AGGREGATOR AGREEMENT MEMBERS**

**THIRD AMENDED AND RESTATED  
NCPA MSS AGGREGATOR AGREEMENT**

**THIS AGREEMENT** is dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011, and is entered into, by, and among:

- (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."

The City of Santa Clara, California, a duly chartered city under the laws of the State of California, which does business as Silicon Valley Power ("SVP"), is a member of NCPA, but has a separate MSS Agreement with the CAISO. NCPA currently serves as Scheduling Coordinator for SVP, and some of NCPA's functions in that capacity are addressed in this Agreement. However, SVP is not a signatory to this Agreement.

**Whereas:**

- A. NCPA and the MSS Members are engaged in, among other things, generating and transmitting electric power in Northern California, and distributing electric power in the Service Areas of the MSS Members comprising NCPA's System,

with NCPA serving as the MSS Aggregator for the Metered Subsystem of each MSS Member;

- B.** The CAISO, a North American Electric Reliability Corporation (“NERC”) certified Balancing Authority, or a Balancing Authority certified by NERC’s successor, is engaged in, among other things, exercising Operational Control over certain electric transmission facilities forming the CAISO Controlled Grid, scheduling transactions that utilize those transmission facilities and, operating certain markets, including markets for Energy and Ancillary Services, pursuant to the terms of the CAISO Tariff, as modified from time-to-time and as accepted by the Federal Energy Regulatory Commission (“FERC”) and has certain statutory obligations under California law to maintain the reliability of the CAISO Controlled Grid, as well as certain responsibilities mandated by NERC and Western Electricity Coordinating Council (“WECC”), or their successors, to ensure the reliable operation of the entire electric grid within the CAISO Balancing Authority Area;
- C.** NCPA’s System is within the CAISO Balancing Authority Area and is interconnected to the CAISO Controlled Grid;
- D.** NCPA, the MSSAA Members and SVP desire to continue to operate the generation, transmission and distribution resources of NCPA’s System in an integrated manner to reliably serve the Loads of each MSSAA Member and SVP and also desire, as or through a Scheduling Coordinator, to schedule transactions using the CAISO Controlled Grid and participate in the CAISO Markets as a buyer and a seller;
- E.** The Parties are entering into this Agreement in order to establish the terms and conditions on which (1) NCPA will operate NCPA’s System electric resources within the CAISO Balancing Authority Area; (2) NCPA will, as or through a Scheduling Coordinator, schedule transactions using the CAISO Controlled Grid and participate in the CAISO Markets; and (3) the Parties will meet their obligations under the CAISO Tariff, as such obligations may be modified by this Agreement, in connection therewith;
- F.** NCPA intends to continue to utilize NCPA’s System resources, System Resources and Resource Specific System Resources to follow the Load of MSSAA Members and SVP, and to make economic resource decisions, and the intent of the Parties is that any CAISO charges will be charged to NCPA’s Scheduling Coordinator based on the principle of cost causation, with due regard for historic considerations, timing and transition issues, and other relevant factors;
- G.** In order to maintain the reliability of the interconnected electric systems encompassed by the WECC, the Parties are required to comply with the NERC and WECC Reliability Standards, and the WECC RMS Agreement to the extent it

remains in effect, applicable to the functional entity types for which the Parties are registered with NERC and WECC. Should any Party fail to meet its respective obligations, such Party shall be responsible for payment of any monetary sanctions assessed against it in accordance with Section 10.4;

- H. NCPA is a specially organized agency under the Constitution of the State of California and utilizes tax-exempt financing for one or more of its projects that restricts the amount of private use of such projects; and
- I. NCPA and the MSSAA Members represent that they have a responsibility to serve their customer Loads pursuant to California Public Utilities Code Section 10005.

**NOW THEREFORE**, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

## ARTICLE I DEFINITIONS AND INTERPRETATION

**1.1 Master Definitions Supplement.** Unless defined in the introduction or Section 1.2 of this Agreement, all terms used in this Agreement with initial capitalization shall have the same meaning as those contained in the Master Definitions Supplement to the CAISO Tariff.

**1.2 Special Definitions for this Agreement.** In this Agreement, the following terms shall have the meanings set opposite them:

**“NCPA Joint Powers Agreement”** means the agreement dated July 19, 1968, as amended, entered pursuant to Chapter 5, Division 7, Title 1 of the California Government Code commencing with Section 6500 in which two or more public agencies may by this agreement jointly exercise any power common to the contracting parties.

**“NCPA’s System”** means all transmission and distribution facilities owned or controlled by NCPA and the MSS Members for whom NCPA is Scheduling Coordinator, and all Generating Units within the CAISO Balancing Authority Area owned or controlled by NCPA and the MSS Members for whom NCPA is Scheduling Coordinator. A description of the Generating Units and Points of MSS Interconnection comprising NCPA’s System is set forth in Schedule 1 and Schedule 14 of this Agreement and the SVP MSS Agreement.

**“MSS Members”** means those NCPA members who are signatories to a Metered Subsystem Agreement or to this Agreement. MSS Members are listed in Schedule 18 of this Agreement.

**“MSSAA Members”** means a specific subset of MSS Members who are signatories to this Metered Subsystem Aggregator Agreement and who have not additionally signed a separate Metered Subsystem Agreement. MSSAA Members are listed in Schedule 18 of this Agreement.

**“Point of MSS Interconnection”** means any point at which the Generating Units and Service Areas of NCPA and the MSS Members that are part of NCPA’s System are directly interconnected with the CAISO Controlled Grid or with any other portion of the interconnected electric grid in the CAISO Balancing Authority Area. The initial Points of MSS Interconnection are described in Section 4.1.

**“PG&E IA”** means the Interconnection Agreement between NCPA and Pacific Gas and Electric Company (“PG&E”) designated as First Revised Service Agreement No. 17 under PG&E FERC Electric Tariff, Sixth Revised Volume No. 5, as it may be amended from time to time.

**“Settlement Agreement”** means the Settlement Agreement among Pacific Gas and Electric Company, Northern California Power Agency, Silicon Valley Power 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.

**“SVP”** means Silicon Valley Power, which has signed an individual MSS agreement with the CAISO, but for which NCPA acts as Scheduling Coordinator, including implementation of such individual MSS Agreement executed by SVP, pursuant to the Scheduling Coordination Program Agreement between NCPA and SVP.

**1.3 Rules of Interpretation.** The following rules of interpretation and conventions shall apply to this Agreement:

- (a) the singular shall include the plural and vice versa;
- (b) the masculine shall include the feminine and neutral and vice versa;
- (c) “includes” or “including” shall mean “includes (or including) without limitation”;
- (d) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (e) any reference to the CAISO Tariff or any provision of the CAISO Tariff will mean a reference to the CAISO Tariff or provision then in effect as modified during the term of this Agreement, unless otherwise specifically provided;
- (f) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (g) unless the context otherwise requires, any 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 separate legal personality;
- (h) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (i) any reference to a day, week, month or year is to a calendar day, week, month or year;

- (j) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement;
- (k) all references to "NCPA" herein shall be deemed to refer to the joint powers agency organized under the laws of the state of California as created by the NCPA Joint Powers Agreement unless otherwise indicated.

## ARTICLE II

### TERM AND TERMINATION

**2.1 Effective Date.** This Agreement shall be effective as of the later of: (1) the date this Agreement is accepted for filing and made effective by FERC, or (2) the date the version of the CAISO Tariff implementing the CAISO's Market Redesign and Technology Upgrade ("MRTU") market design becomes effective, and shall remain in full force and effect until terminated pursuant to Section 2.2, or upon such other date as the Parties shall mutually agree. If the CAISO Tariff implementing MRTU has become effective but this Agreement has not yet been made effective by FERC, the Parties will use the terms of this Agreement to interpret and implement the CAISO Tariff under MRTU and the terms of the existing Metered Subsystem Aggregator Agreement, to effectuate the intention of the Parties until such time as this Agreement is made effective by FERC. Upon the effective date of this Agreement, all prior versions will be superseded, provided that if this Agreement has become effective, but the CAISO exercises its rights under Section 44 of the CAISO Tariff and returns its operations and settlements to the pre-MRTU ISO Tariff, the Parties will use the terms of the version of the Metered Subsystem Aggregator Agreement in existence prior to this Agreement during such period that the CAISO returns to the previously effective ISO Tariff to interpret and implement the pre-MRTU ISO Tariff, except that the updated version of Schedules 1, 6, 11, 13, 14, 15.1 and 17, attached to this Agreement will remain in effect.

#### **2.2 Termination and Changes in NCPA Membership**

**2.2.1 Termination by Default.** NCPA or the CAISO (the terminating Party) may terminate this Agreement by giving written notice of termination in the event that the other Party (the defaulting Party) commits any default under this Agreement or the applicable provisions of the CAISO Tariff which, if capable of being remedied, is not remedied within 30 days after the terminating Party has given the defaulting Party written notice of the default, unless excused by reason of Uncontrollable Forces under Article XVII.

**2.2.2 Termination on Notice.** NCPA or the CAISO (the terminating Party) shall have the right to terminate this Agreement in accordance with this Section 2.2.2, subject to the procedural requirements set forth in Section 2.2.3. NCPA

or the CAISO may terminate this Agreement by giving the other Party written notice at least twelve (12) months in advance of the intended effective date of termination.

- 2.2.3 Filing.** With respect to any notice of termination given pursuant to this Section, the CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by the CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the CAISO files the notice of termination within 30 days of receipt of such request from NCPA or issuance of its own notice of termination. This Agreement shall terminate upon the date on which the notice of termination is permitted by FERC to become effective.
- 2.2.4 MSS Withdrawal.** If any MSSAA Member or SVP elects to terminate its MSS relationship with the CAISO or its Scheduling Coordinator agreement with NCPA, NCPA will provide notice of such change to the CAISO within five Business Days of its receipt of the notice of such election. As of the date of such notice to the CAISO, NCPA will develop in a timely manner and propose to the CAISO amendments to this Agreement that would permit continued operation without the MSSAA Member or SVP that has given notice to NCPA, or will provide a notice of termination of this Agreement. Such termination will be effective on a date that is mutually agreed upon by the Parties, but in the event that the Parties cannot agree, such termination will be effective no sooner than twelve (12) months after NCPA's provision of such notice of termination.
- 2.2.5 MSS Entry.** In the event that NCPA wishes to add a new member to this Agreement, or if a new member executes a separate MSS Agreement with the CAISO and wishes NCPA to act as its Scheduling Coordinator for the purposes of an MSS Aggregation consistent with this Agreement, NCPA shall promptly notify the CAISO and provide CAISO with proposed amendments to this Agreement and the Schedules of this Agreement that would be necessary to implement such a change. Within thirty days of the provision of such documents, NCPA and CAISO will meet to discuss the proposed changes. The CAISO's consent to the addition of new MSSAA or MSS Members shall not be unreasonably withheld.

### ARTICLE III

#### GENERAL TERMS AND CONDITIONS

- 3.1 Scope of Agreement.** Except as specifically provided otherwise, the provisions of this Agreement will apply only with respect to the facilities comprising NCPA's System, the facilities of MSS Members, and Loads and Generating Units of MSS Members directly connected only to NCPA's System. NCPA is acting as MSS Aggregator on behalf of the multiple, geographically contiguous Metered Subsystems of the MSSAA Members and on behalf of SVP to the extent agreed

upon between NCPA and SVP for implementation of SVP's individual MSS Agreement. To the extent MSS Members have entitlements to Generating Units with Third Parties, this Agreement does not apply to such Third Parties. For the purposes of this Section 3.1, "Third Party" means any party other than NCPA, MSSAA Members, and the CAISO. Subject to the terms of Article II, this Agreement shall not affect NCPA or MSS Members' ability to join or establish another Balancing Authority Area or NCPA's right to exercise any available legal recourse to obtain or confirm that it possesses other forms of transmission rights.

### **3.2 CAISO and NCPA Responsibilities.**

**3.2.1 CAISO Responsibility.** The Parties acknowledge that the CAISO is responsible for the efficient use and reliable operation of the CAISO Controlled Grid and the operation of the CAISO's Balancing Authority Area consistent with achievement of planning and Operating Reserve criteria no less stringent than those established by the WECC and NERC Reliability Standards and criteria and in accordance with the CAISO Tariff and further acknowledge that the CAISO may not be able to satisfy fully these responsibilities if parties to agreements with the CAISO, including NCPA, fail to comply fully with all of their obligations under those agreements. The CAISO is not delegating to NCPA or its MSSAA Members any of its responsibilities to NERC and/or WECC by this Agreement.

**3.2.2 NCPA Responsibility.** The Parties acknowledge that NCPA, acting as the MSS Aggregator, has a legal obligation to act in the best interests of all its members that are signatories to the NCPA Joint Powers Agreement. The Parties further acknowledge that NCPA members that are not signatories to MSS Agreements with the CAISO or this Agreement may have legal rights to the use and output of Generating Units and transmission facilities owned or controlled by NCPA and that these rights cannot be altered or diminished by this Agreement. The Parties acknowledge that NCPA and the MSSAA Members are individually responsible for compliance with the WECC and NERC Reliability Standards and criteria applicable to the functions for which NCPA and each MSSAA Member are respectively registered with NERC. The references to WECC and NERC Reliability Standards throughout this Agreement do not make any alteration or enlargement of the requirements or standards applicable to NCPA or the individual MSSAA Members beyond their individual registrations with NERC.

### **3.3 Relationship Between Agreement and CAISO Tariff**

**3.3.1 Precedence of Agreement.** If and to the extent a matter is specifically addressed by a provision of this Agreement (including any schedules or other attachments to this Agreement), the provisions of this Agreement shall govern notwithstanding any inconsistent provision of the CAISO Tariff (including,

except as provided in Section 3.3.2, any CAISO Tariff provision that is referenced in this Agreement).

- 3.3.2 Precedence of CAISO Tariff.** If and to the extent this Agreement provides that a matter shall be determined in accordance with the applicable provisions of the CAISO Tariff, the applicable provisions of the CAISO Tariff shall govern.
- 3.3.3 Participating Generators.** Except as provided in Section 3.3.1, NCPA shall, with respect to the operation of any of the Generating Units listed in Schedule 14, comply with the requirements applicable to Participating Generators under Section 4.6 of the CAISO Tariff and all other provisions of the CAISO Tariff governing Participating Generators. Nothing in this Agreement shall obligate NCPA to execute a Participating Generator Agreement with respect to any NCPA or MSS Member Generating Unit.
- 3.3.4 Participating Loads.** Except as provided in Section 3.3.1, NCPA and the MSSAA Members shall, with respect to the operation of any Load listed in Schedule 14, comply with the requirements applicable to Participating Loads under Section 4.7 of the CAISO Tariff and all other provisions of the CAISO Tariff governing Participating Loads. Nothing in this Agreement shall obligate NCPA or any MSSAA Member to execute a Participating Load Agreement with respect to the Load of any MSS Member.
- 3.3.5 Resource Specific System Resources.** Except as provided in Section 3.3.1, NCPA and the MSSAA Members shall, with respect to the operation of any Resource Specific System Resource listed in Schedule 14(a), comply with the requirements applicable to Resource Specific System Resources under Section 4.12 of the CAISO Tariff and all other provisions of the CAISO Tariff governing Resource Specific System Resources. Nothing in this Agreement shall obligate NCPA or any MSSAA Member to execute a Resource Specific System Resource Agreement with respect to any NCPA or MSS Member Resource Specific System Resource.
- 3.3.6 Utility Distribution Companies.** Except as provided in Section 3.3.1, NCPA and the MSSAA Members shall, with respect to the operation of the distribution facilities belonging to any MSSAA Member, comply with the requirements applicable to Utility Distribution Companies under Section 4.4 of the CAISO Tariff. Nothing in this Agreement shall obligate NCPA or any MSSAA Member to execute a UDC Operating Agreement.
- 3.3.7 Disputes.** The applicability of any provision of the CAISO Tariff to NCPA or to an MSSAA Member, including as provided in Sections 3.3.1 through 3.3.5, inclusive, shall, in the event of a dispute between the Parties, be determined through the CAISO ADR Procedures in accordance with Section 13 of the CAISO Tariff.

**3.3.8 Participating TO.** Nothing in this Agreement shall preclude NCPA or the MSSAA Members from becoming a Participating TO by executing the TCA and fulfilling all other applicable requirements. If NCPA becomes a Participating TO, it shall comply with the requirements applicable to Participating TOs under Section 4.3 of the CAISO Tariff.

**3.3.9 Written Agreements.** This Agreement shall serve, with respect to NCPA and the MSSAA Members, as the written agreements required by Sections 4.4.1, 4.6, 4.7, and 10.1.4 of the CAISO Tariff.

### **3.4 Amendment to Agreement**

**3.4.1 Amendments.** Except with respect to the CAISO's rights set forth in Section 3.4.2 of this Agreement, this Agreement may be modified only by mutual written agreement among all of the Parties; provided, however, that NCPA, in its role as MSS Aggregator, is authorized by the MSSAA Members to execute any amendment that only modifies one or more of the Schedules to this Agreement. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. This shall not modify NCPA's or the CAISO's rights under Section 206 of the Federal Power Act.

**3.4.2 Section 205 Rights.** The CAISO shall have the right to apply unilaterally under Section 205 of the Federal Power Act to change the rates, terms, and conditions under this Agreement for services provided to NCPA. In proposing any changes, unless in response to a FERC order as provided in Section 3.6, the CAISO will consider the principles in this Agreement as detailed in Section 3.5.2. Additionally, unless in response to a FERC order as provided in Section 3.6, any changes proposed by the CAISO shall be subject to the following:

**3.4.2.1** The CAISO shall provide NCPA 30 days advance written notice of such change.

**3.4.2.2** The CAISO shall meet and confer with NCPA regarding the change, provided that the scheduling of such meeting shall not be unreasonably delayed.

**3.4.2.3** NCPA may waive these requirements upon written request by the CAISO.

**3.4.2.4** The CAISO shall provide NCPA with a copy of the FERC filing if, and when, made.

**3.4.3 Operational Changes.** In addition to changes that may otherwise be contemplated by Section 3.6, the Parties recognize that their responsibilities and operations may change during the term of this Agreement. The Parties agree that, in the event any such change substantially affects the allocation of rights, responsibilities, and obligations between the Parties under this

Agreement, the Parties, while continuing to honor the terms and conditions of this Agreement, will make good faith efforts to negotiate an appropriate amendment to this Agreement and shall endeavor in that process to restore that allocation.

### **3.5 Amendment to CAISO Tariff.**

**3.5.1 CAISO Tariff Amendments.** Nothing in this Agreement shall affect in any way the authority of the CAISO to modify unilaterally the CAISO Tariff in accordance with Section 15 of the CAISO Tariff or of the CAISO and NCPA or the MSSAA Members to exercise their rights under the Federal Power Act or any other law or to pursue any legal remedies.

**3.5.2 MSS Principles.** In making amendments to the CAISO Tariff as provided in Section 3.5.1, the CAISO will consider the impact on Metered Subsystems and the principles reached in this Agreement, including but not limited to:

**3.5.2.1 Cost Causation:** The intent of the Parties is that CAISO charges will be charged to the Scheduling Coordinator for the MSS Aggregator, based on the principle of cost causation, with due regard for historic considerations, timing and transition issues, and other relevant factors.

**3.5.2.2 Load Following Capability:** NCPA desires to maintain Load following capability to match the Loads of the MSS Members, and to make economic resource decisions with the resources in NCPA's portfolio.

**3.5.2.3 Compatibility of Market Participants:** For efficient use of transmission facilities and to decrease Congestion, the CAISO desires that all Market Participants operate using similar rules and scheduling timelines.

**3.6 Changes to Conform to FERC Orders.** Nothing in this Article III shall be interpreted to limit the CAISO's right to modify the CAISO Tariff or this Agreement to comply with or conform to any FERC order, or to limit NCPA's right to challenge such a proposed modification.

## **ARTICLE IV INTERCONNECTION**

**4.1 Points of MSS Interconnection.** The Points of MSS Interconnection are described in Schedule 1. Additional Points of MSS Interconnection may be established only by mutual agreement of the Parties, for which consent shall not unreasonably be withheld.

- 4.2 Interconnection Operation Standards.** The CAISO and NCPA shall maintain stable established operating parameters and control power and reactive flow within standards stated in Schedule 2.
- 4.3 Operation, Maintenance, and Load Serving Responsibilities.** NCPA and the MSSAA Members, as appropriate, shall operate and maintain their respective facilities forming any part of NCPA's System, and shall be responsible for the supply of the Energy and Ancillary Services required to reliably provide electric service to their respective Loads connected to NCPA's System as described in Section 3.1 within the CAISO Balancing Authority Area in accordance with Applicable Reliability Criteria, including WECC and NERC Reliability Standards and criteria as set out in Section 3.2.2 of this Agreement. The concurrent obligations of SVP are set out in the SVP MSS Agreement.
- 4.4 Expansion, Retirement, and Modification of Facilities.** NCPA and the MSSAA Members shall coordinate with the CAISO in the planning and implementation of any expansion, retirement, or modification of those facilities forming parts of NCPA's System that are identified in Schedule 1, replacements for such facilities, and other facilities forming parts of NCPA's System that serve similar functions or that otherwise will or may significantly affect the Points of MSS Interconnection, and shall provide sufficient advance notice to enable the CAISO to conduct any necessary studies. To the extent CAISO determines studies are required, those studies will be performed in a reasonable period of time. The Parties will amend Schedule 1, as necessary, should a new Point of MSS Interconnection be established in accordance with Section 4.1.
- 4.5 Installation of Facilities and Rights of Access**
- 4.5.1 Equipment Installation.** Pursuant to Schedule 3, the Parties shall permit one another, on reasonable notice and with mutual agreement in each case, to install equipment or have installed equipment or other facilities on the property of the other Party to enable the installing Party to meet its service obligations, unless doing so would negatively impact the reliability of service provided by the owning Party. Unless otherwise agreed, all costs of installation shall be borne by the installing Party.
- 4.5.2 Rights of Access.** A Party installing equipment on the property of the other Party shall be granted, free of charge, reasonable rights of access to inspect, repair, maintain and upgrade that equipment. Access shall be provided only on prior notice and such access shall not be unreasonably withheld.
- 4.5.3 Request for Access.** Notwithstanding any other provision in this Section 4.5, NCPA and the MSSAA Members shall provide the CAISO with access for inspection or audit, to their respective equipment or other facilities forming part of NCPA's System listed in Schedule 1, the operation of which affects any Point of MSS Interconnection or the CAISO Controlled Grid, without prior notice

during normal working hours, 8:00 a.m. to 5:00 p.m. Monday through Friday, excluding NERC defined holidays. For access for inspection or audit during times outside of normal working hours, the CAISO shall provide NCPA with one (1) Business Day advance notice. A shorter advance notice time may be attained subject to mutual agreement of the Parties. A NCPA Supervisor is to be present at anytime access is granted to any equipment or other facilities of NCPA's System the operation of which affects any Point of MSS Interconnection or the CAISO Controlled Grid. SVP's comparable obligations are addressed in SVP's MSS Agreement.

## **ARTICLE V OPERATIONS**

### **5.1 Outages**

**5.1.1 Outage Coordination.** NCPA shall coordinate Outages of Generating Units and transmission facilities, including the Points of MSS Interconnection, constituting parts of NCPA's System with the operators, and if mutually agreed by the CAISO and NCPA, the owners of the transmission facilities with which NCPA's System is interconnected so that each of those owners can take those Outages into account in coordinating maintenance of its transmission facilities with the CAISO.

**5.1.2 Scheduling Outages.** NCPA shall schedule with the CAISO on an annual basis, pursuant to Schedule 4, with updates submitted as required under CAISO Tariff Section 9.3.6, any Maintenance Outages of the equipment included in Schedule 1, and shall coordinate the Outage requirements of NCPA's System with the Participating TO with which NCPA's System is interconnected.

**5.1.3 Application of Law.** Notwithstanding anything to the contrary in this Agreement, to the extent required by any valid law, regulation or order issued by any state or federal authority having jurisdiction over NCPA or NCPA's System, which law, regulation or order applies to entities that have executed a written undertaking required by Section 4.6 of the CAISO Tariff, NCPA shall coordinate Outages of Generating Units and transmission facilities constituting parts of NCPA's System with the CAISO, pursuant to any generally applicable program established by the CAISO to implement such law, regulation or order.

**5.2 Safety and Reliability.** As set out in Section 3.2.2 of this Agreement, NCPA or the MSSAA Members, as applicable, shall operate and maintain their respective portions of NCPA's System in accordance with applicable safety standards and Reliability Standards, WECC and NERC requirements as applicable, regulatory requirements, operating guidelines, and Good Utility Practice so as to avoid any material unplanned-for adverse impact on the CAISO Controlled Grid. As set

forth in Section 3.2.1 of this Agreement, the CAISO shall operate and maintain the CAISO Controlled Grid and the operation of the CAISO Balancing Authority Area in accordance with applicable Reliability Standards pursuant to WECC and NERC requirements as applicable, regulatory requirements, operating guidelines, and Good Utility Practice so as to avoid any material unplanned-for adverse impact on NCPA's System. Without limiting the foregoing, NCPA or its MSSAA Members, as applicable, shall operate and maintain their respective portions of NCPA's System, during normal and System Emergency conditions, in compliance with NCPA's Emergency Action Plan ("EAP") and the requirements applicable to Utility Distribution Companies in CAISO Operating Procedures and standards. In the event any such CAISO Operating Procedure or standard is revised to modify the requirements applicable to Utility Distribution Companies, the Parties shall comply with such revision. SVP's comparable obligations are separately addressed in the SVP MSS Agreement.

- 5.3 Critical Protective Systems.** NCPA will coordinate with the CAISO, PG&E, and any Generators on NCPA's System to ensure that CAISO Controlled Grid Critical Protective Systems, including relay systems and other systems described in Schedule 5, are installed and maintained in order to function in a coordinated and complementary fashion with protective devices installed by NCPA, PG&E, and Generators. NCPA shall notify the CAISO as soon as is reasonably possible of any condition that it becomes aware of that may compromise or affect the operating safety and reliability of the CAISO Controlled Grid Critical Protective Systems, including the systems described in Schedule 5.
- 5.4 Single Point of Contact.** The CAISO and NCPA shall each provide a single point of contact at all hours for the exchange of operational procedures and information. In the case that NCPA is also a Participating TO, there may be only one single point of contact required and, in the reasonable discretion of the CAISO, duplicative reporting requirements and functions may be waived. The Parties agree to exchange operational contact information for insuring reliable communication in a format agreed to by the Parties. Each Party shall provide the other Party ten (10) calendar days advanced notice of updates to its operational contact information as that information is expected to change.
- 5.5 Transmission Losses, Outages, and Congestion.** NCPA shall be responsible for transmission losses within any MSS Member's Service Area and to any Points of MSS Interconnection. In addition, NCPA shall be responsible for transmission line Outages and transmission Congestion within any MSS Member's Service Area. Except as provided in Section 3.3.1, congestion within NCPA's System will be managed in accordance with the CAISO Tariff, including CAISO Tariff Section 31.3.3. This Section 5.5 does not affect Congestion on the CAISO Controlled Grid, which shall be managed in accordance with the CAISO Tariff.

## ARTICLE VI

### INFORMATION SHARING

- 6.1 Forecasts.** NCPA shall provide to the CAISO annually its ten-year forecasts of the MSS Demand growth, internal Generation, and expansions of or replacements for those transmission facilities that are part of NCPA's System identified in Schedule 1 and other transmission facilities that are part of NCPA's System that serve similar functions or that otherwise will or may significantly affect any Point of MSS Interconnection. 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. Peak MSS Demand forecasts for MSSAA Members shall be submitted by NCPA's Scheduling Coordinator in accordance with Section 19.1 of the CAISO Tariff, or biannually as part of the CAISO's summer and winter assessment process, as agreed by the Parties. SVP's comparable obligation is addressed in the SVP MSS Agreement.
- 6.2 System Surveys and Inspections.** NCPA and the CAISO shall cooperate to perform system surveys and inspections of facilities at or near the Points of MSS Interconnection that may significantly affect the facilities of the other Party.
- 6.3 Maintenance Schedules.** NCPA shall provide the CAISO on an annual basis with a schedule of planned maintenance of those generation and transmission facilities identified in Schedule 1, and other transmission facilities serving a similar function or which otherwise would significantly affect the CAISO Balancing Authority Area in accordance with Schedule 4. NCPA and the CAISO shall also maintain records of the Maintenance Outages scheduled by NCPA on such facilities and their actual duration.
- 6.4 Reliability Information.** NCPA and the CAISO shall each have the obligation to inform the other Party, as promptly as possible, of any circumstance of which it becomes aware (including, but not limited to, abnormal temperatures, storms, floods, earthquakes, and equipment depletions and malfunctions and deviations from Registered Data and operating characteristics) that is reasonably likely to threaten the reliability of the CAISO Controlled Grid or the integrity of NCPA's System respectively. NCPA and the CAISO each shall also inform the other Party as promptly as possible of any incident of which it becomes aware (including, but not limited to, equipment outages, over-loads or alarms) which, in the case of NCPA, is reasonably likely to threaten the reliability of the CAISO Controlled Grid, or, in the case of the CAISO, is reasonably likely to adversely affect NCPA's System. Such information shall be provided in a form and content which is reasonable in all the circumstances, sufficient to provide timely warning to the other Party of the potential threat and, in the case of the CAISO, not unduly discriminatory with respect to the CAISO's provision of similar information to other entities.

- 6.5 Major Outage Reports.** NCPA shall promptly provide such information as the CAISO may reasonably request concerning NCPA's operation of NCPA's System to enable the CAISO to meet its responsibility under the CAISO Tariff to conduct reviews and prepare reports following major Outages. Where appropriate, the CAISO will provide appropriate assurances that the confidentiality of commercially sensitive information shall be protected. The CAISO shall have no responsibility to prepare reports on Outages that affect customers on NCPA's System, unless the Outage also affects customers connected to the system of another entity within the CAISO Balancing Authority Area. NCPA shall be solely responsible for the preparation of any reports required by any governmental entity or the WECC with respect to any Outage that affects solely customers on NCPA's System. The CAISO shall promptly provide such information as NCPA may reasonably request concerning the CAISO's operation of the CAISO Balancing Authority Area to enable NCPA to meet its responsibility to conduct and prepare reports following major Outages as required by any governmental entity or the WECC. Where appropriate, NCPA will provide appropriate assurances that the confidentiality of commercially sensitive information shall be protected.
- 6.6 Annual Reviews and Reports**
- 6.6.1 CAISO Annual Reviews and Reports.** The CAISO shall make available to NCPA any public annual reviews or reports regarding performance standards, measurements or incentives relating to the CAISO Controlled Grid that the CAISO makes available to MSS Operators and Participating TOs.
- 6.6.2 NCPA Annual Reviews and Reports.** NCPA shall make available to the CAISO any public annual reviews or reports regarding performance standards, measurements or incentives relating to NCPA's System that may affect the CAISO Balancing Authority Area.
- 6.6.3 Joint Reporting.** The CAISO and NCPA shall jointly develop any necessary forms and procedures for collection, study, treatment, and transmittal of system data, information, reports and forecasts.
- 6.7 Direct Telemetry.** NCPA shall install and maintain direct telemetry links to the CAISO's EMS system to provide real-time data to the CAISO, including but not limited to Generation output, line and transformer flows at the NCPA Points of MSS Interconnection, and bus voltages at the NCPA Points of MSS Interconnection and at each Generating Unit, subject to any exemption available in accordance with the CAISO Tariff. Additional data points to be transmitted to the CAISO EMS system will be mutually agreed by the CAISO and NCPA.

## ARTICLE VII EMERGENCY OPERATIONS

### 7.1 In General.

Except with respect to Sections 7.4.1, 7.4.2, 7.5.1, and 7.5.2 and provisions regarding NCPA's UFLS program, or unless NCPA is short of resources to meet its forecasted MSS Demand, as determined in accordance with Section 7.7.11.4 of the CAISO Tariff, the terms of this Article VII shall only apply during a System Emergency that is not a result of a deficiency of resources to serve Demand in the CAISO Balancing Authority Area but instead occurs due to operating contingencies, which may include but not be limited to forced loss of resources and/or transmission components or may otherwise be caused by an Uncontrollable Force, as further described in Attachment B to the NCPA EAP. NCPA shall have an "Emergency Action Plan" ("EAP") approved by the CAISO and on file with the CAISO, which EAP shall be attached to Schedule 11. The EAP shall include the operational steps NCPA on behalf of the MSSAA Members shall take during System Emergencies, when the CAISO implements its System Emergency-related Operating Procedures.

Under the direction of the CAISO, NCPA or its MSSAA Members, as applicable, shall follow all instructions as they pertain to the CAISO's System Emergency-related Operating Procedures, including actions to be taken by NCPA with respect to Generation, Ancillary Services, and the handling of Load reductions as specified in the EAP. NCPA shall participate in all System Emergency operations-related communication between the CAISO and other MSSs and UDCs within the CAISO Balancing Authority Area, which may include meetings, conference calls, hotlines, and/or e-mails.

NCPA shall provide all necessary Load and Generation data associated with the CAISO's System Emergency-related Operating Procedures, including Generation supplied, Load shed, and reserves made available during the time of a CAISO declared System Emergency.

In the event a System Emergency occurs or the CAISO determines that a System Emergency is threatened or imminent, NCPA shall, in accordance with Good Utility Practice and the NCPA EAP: (a) comply with all directions from the CAISO concerning the management and alleviation of a threatened or actual System Emergency, which may include shutting down or starting a Generating Unit, altering the scheduled delivery of Energy or Ancillary Services to or from, as well as within, the CAISO Balancing Authority Area, and/or disconnecting MSS Members' Load and (b) comply with all other procedures concerning System Emergencies set out in the NCPA EAP and CAISO Operating Procedures, in accordance with the applicable provisions of this Agreement. Without limiting the generality of the foregoing:

- 7.1.1 Generating Unit Availability.** When requested by the CAISO during a System Emergency, NCPA shall operate all of the Generating Units listed in Schedule 14 to supply the CAISO with generating capacity and/or Energy that can be made available by those Generating Units in order to make available as much generating capacity and/or Energy as possible to the CAISO during the term of any System Emergency, consistent with: (a) maintaining the adequate Supply of Energy to meet measured Demand of the MSS Members, other than in accordance with Section 7.4 of this Agreement; and (b) due consideration for the provisions of Section 3.1 and particular obligations of NCPA identified in the EAP attached to Schedule 11 or in the limitations specified in Schedule 14, provided that NCPA shall provide the CAISO with advance notice of any changes to the NCPA EAP or limitations in Schedule 14 that NCPA's obligations impose on the operation of the Generating Units of NCPA's System, and any changes agreed to by the CAISO shall be amendments to this Agreement. For that purpose, NCPA shall provide the CAISO any update to the NCPA EAP and any change in Schedule 14 with regard to any limitations on the operation of the Generating Units of NCPA's System. NCPA shall provide the CAISO updates regarding the status of the limitations in Schedule 14 promptly whenever it becomes aware of factors that affect such limitations, provided that updates shall be provided at least quarterly and no updates may be provided later than the deadline for the submission by other Generators of changes in limitations on the operation of Generating Units, which is the deadline for the submission of Bids into the Real-Time Market, except when a change is due to a Forced Outage. In making as much generating capacity and/or Energy available that can be made available by its Generating Units to the CAISO as possible for use in System Emergency conditions, subject to the foregoing, NCPA shall:
- 7.1.1.1** Schedule or reschedule in the form of a Bid, and operate to the maximum extent possible, the Generating Units and other sources of power of NCPA's System within and outside the CAISO's Balancing Authority Area to maximize the amount of generating capacity and/or Energy available that can be made available by those Generating Units and other resources to the CAISO; and
  - 7.1.1.2** Reschedule Maintenance Outages of equipment and facilities, including Generating Units and any facilities which may impact the operation of Generating Units, to maximize the amount of generating capacity and/or Energy available that can be made available by those Generating Units to the CAISO unless rescheduling of such Maintenance Outages is likely to cause damage to the equipment and facilities.
- 7.1.2 CAISO Dispatch Instructions.** In the event that the CAISO issues a Dispatch Instruction, including an Exceptional Dispatch Instruction, that contravenes the NCPA EAP attached to Schedule 11 or any limitation set forth in Schedule 14 duly communicated in accordance with Section 7.1.1, NCPA or its Scheduling

Coordinator shall not be required to follow that instruction, although it may consent to do so in a particular case (without prejudice to NCPA's right to direct its Scheduling Coordinator to decline any such instructions thereafter). If NCPA or its Scheduling Coordinator chooses not to follow such an instruction, it shall notify the CAISO as soon as possible that it will not follow the Dispatch Instruction, including an Exceptional Dispatch Instruction, due to the previously communicated limitation.

- 7.1.3 Compensation.** NCPA's Scheduling Coordinator shall receive compensation for generating capacity and/or Energy supplied in response to Exceptional Dispatch Instructions, issued by the CAISO in accordance with the CAISO Tariff.
- 7.1.4 Communication.** During a System Emergency, the CAISO and NCPA shall communicate through their respective control centers and in accordance with procedures established in this Agreement and the CAISO Tariff.
- 7.1.5 System Emergency Due to Deficiencies.** Notwithstanding anything to the contrary in Articles V, VII, VIII, IX, or X or any CAISO Tariff provision, neither NCPA nor the MSS Members shall be expected or required to curtail their Loads or offer to the CAISO generating capacity or Energy from their Generating Units in a System Emergency that is due to the failure of other Load Serving Entities to provide resources adequate to meet measured Demand and maintain Operating Reserves in accordance with the CAISO Tariff or meet the credit requirements of Section 12 of the CAISO Tariff.
- 7.1.5.1** Nothing in this Section 7.1.5 or this Agreement is intended to affect NCPA or MSS Members obligation to comply with any market mitigation requirement, including any must-offer requirement, that the FERC may lawfully impose upon NCPA or its MSS Members or upon MSS Operators generally, provided, however, NCPA recognizes that the CAISO will comply with the terms of any such FERC order regardless of issues NCPA may raise with respect to its lawfulness until such time as a final non-appealable decision is rendered.
- 7.2 Notice.** When a System Emergency occurs, the CAISO shall notify NCPA's control center as part of the process by which it notifies all Utility Distribution Companies and MSS Operators of System Emergency conditions. Details of the notification process are set forth in Schedule 7.
- 7.3 Records.** NCPA and the CAISO shall maintain all appropriate records with respect to operations during a System Emergency in accordance with the CAISO Tariff.

## 7.4 Load Shedding

**7.4.1 Automatic Load Shedding.** NCPA, on behalf of the MSSAA Members, shall implement and have at all times operational an automatic Underfrequency Load Shedding (UFLS) program described in Schedule 8 and any under-voltage relay protection program that may be described in Schedule 9. SVP's comparable obligation is addressed in the SVP MSS Agreement.

**7.4.2 Manual Load Shedding.** When called upon to do so by the CAISO in accordance with this Section 7.4.2 and Section 7.4.3 to avert, manage, or alleviate a System Emergency, NCPA, on behalf of the MSSAA Members, shall implement the manual Load Shedding program described in Schedule 10. The CAISO shall notify NCPA when conditions exist that would require NCPA to implement the Load curtailment and interruptible Load programs described in Schedules 10, 10A, and 10B. Subject to the provisions of Sections 7.1.2 and 7.4.3, if the CAISO determines that Load curtailment is required to manage a System Emergency, the CAISO shall determine the amount and location, if applicable, of Load to be reduced and, to the extent practicable, shall allocate a portion of the required Demand reduction to NCPA as the MSS Aggregator and each UDC and MSS Operator based on the ratio of NCPA's MSS Demand at the time of the CAISO Balancing Authority Area annual peak Demand for the previous year to total CAISO Balancing Authority Area annual peak Demand for the previous year, taking into account system considerations and NCPA's curtailment rights. The CAISO shall consult with NCPA, together with other Market Participants, in the CAISO's annual development of a prioritization schedule for the Load Shedding program in accordance with Section 7.7.7 of the CAISO Tariff. SVP's comparable obligation is addressed in the SVP MSS Agreement.

**7.4.3 Manual Load Shedding Priorities.** Section 7.7.11.4 of the CAISO Tariff provides that the CAISO will determine each UDC or MSS that has insufficient resources to meet its forecasted Demand in accordance with the CAISO forecast. If Load Shedding is required solely due to insufficient resources to meet Demand and/or inability to meet Operating Reserve obligations (as defined by WECC or its successor and implemented by the CAISO), as determined in accordance with Section 7.7.11.4 of the CAISO Tariff, and only if NCPA, on behalf of the MSSAA Members, is short of resources to meet its forecasted MSS Demand and exports, as determined in accordance with Section 7.7.11.4 of the CAISO Tariff, will NCPA, on behalf of the MSSAA Members, be required to shed Load, as directed by the CAISO. NCPA shall provide the CAISO with detailed real time information, in graphical or tabular format for those contracts and resources that do not have direct telemetry, demonstrating its full resource sufficiency during any time that the CAISO interrupted firm Load within the CAISO Balancing Authority Area or during which time a CAISO direction to interrupt firm Load was in force, in the manner

of other MSS Operators and UDCs seeking similar exclusion from firm Load Shedding obligations, and NCPA and its Scheduling Coordinator shall be subject to the provisions of Section 7.7.11.4 of the CAISO Tariff for any failure to make such demonstration. SVP's comparable obligation is addressed in the SVP MSS Agreement.

- 7.4.4 Load Restoration.** Load shed in accordance with Section 7.4.1, 7.4.2 and 7.4.3 of this Agreement shall be restored pursuant to Schedule 12.
- 7.4.5 Coordination.** The CAISO shall use reasonable efforts to coordinate NCPA's Underfrequency Load Shedding program with the Underfrequency Load Shedding programs of other MSS Operators and Utility Distribution Companies, and the implementation of all such other programs, so that no one entity bears a disproportionate share of Underfrequency Load Shedding in the CAISO Balancing Authority Area. NCPA and the MSSAA Members warrant that the Underfrequency Load Shedding program does and will continue to fully adhere to the applicable NERC and WECC plans and requirements governing such programs, in accordance with Schedule 8.
- 7.4.6 Supply Levels.** To the extent NCPA, on behalf of the MSSAA Members, reduces NCPA's System MSS Demand in response to a System Emergency, it shall exercise its best efforts to maintain the same level of Generation and imports as was scheduled prior to the MSS Demand reduction in order to provide the CAISO with Energy, subject to the provisions of Section 7.1.2. NCPA's Scheduling Coordinator shall receive compensation for any Energy or Ancillary Services made available to the CAISO as a result of such Load Shedding in accordance with the CAISO Tariff and CAISO Operating Procedures. SVP's comparable obligation is addressed in the SVP MSS Agreement.

## **7.5 Electrical Emergency Plan**

- 7.5.1 Coordination of EEP and EAP.** NCPA shall cooperate with the CAISO's implementation of the Electrical Emergency Plan ("EEP") developed by the CAISO in accordance with Section 7.7.5 of the CAISO Tariff. NCPA shall implement the NCPA EAP attached to Schedule 11 of this Agreement and filed with FERC for informational purposes, and the CAISO shall cooperate with NCPA's implementation of the EAP.
- 7.5.2 Notification of Voluntary Load Curtailment.** NCPA shall notify the MSSAA Members pursuant to NCPA's EAP of any voluntary Load curtailments of which the CAISO notifies NCPA pursuant to the EEP.
- 7.5.3 Notification of Required Load Curtailment.** When the CAISO allocates an amount of Load curtailment to NCPA pursuant to the EEP to manage a System Emergency, NCPA shall notify the MSSAA Members, and the MSSAA

Members shall effectuate the required Load reductions. SVP's comparable obligation is addressed in the SVP MSS Agreement.

## ARTICLE VIII

### LOCAL AND REGIONAL RELIABILITY

#### 8.1 Reliability Within NCPA's System

**8.1.1 NCPA System Reliability.** NCPA or the MSSAA Members, as applicable, shall be solely responsible for maintaining the reliability of electric service to their respective customers in NCPA's System in accordance with Applicable Reliability Criteria, WECC and NERC Reliability Standards and requirements as specified in Section 3.2.2, regulatory requirements, and Good Utility Practice, subject to the responsibilities of the CAISO as the Balancing Authority for the Balancing Authority Area in which NCPA's System is located. SVP's comparable obligations are addressed in the SVP MSS Agreement.

**8.1.2 Reliability Generation.** NCPA shall be responsible for any reliability Generation, Voltage Support, and Black Start service requirements within NCPA's System. At the Points of MSS Interconnection, Voltage Support shall be managed in accordance with the PG&E IA and the CAISO Tariff. SVP's comparable obligations are addressed in the SVP MSS Agreement.

**8.1.3 Reliability Support Cost.** If and to the extent the NERC or WECC criteria change or NCPA does not maintain sufficient Generation to meet the reliability criteria in Schedule 16, as may be amended, as applied to NCPA's System and thus avoid adverse impacts on the CAISO Controlled Grid, then NCPA's Scheduling Coordinator may be assessed costs incurred by the CAISO to support the reliability of NCPA's System. The CAISO will notify NCPA that the reliability criteria have not been met and the Parties shall negotiate in good faith over necessary modifications and, if they cannot reach agreement, submit the dispute to dispute resolution in accordance with Article XIV of this Agreement.

**8.2 Balancing Authority Area Reliability.** For the costs specified in this Article VIII, NCPA, through its Scheduling Coordinator, shall be responsible for supplying or bearing its proportionate share of the costs of generating resources required for the reliability of electric service to Loads in the CAISO Balancing Authority Area, except for Reliability Must-Run ("RMR") Generation costs on the CAISO Controlled Grid, where such costs are the responsibility of the Participating TO where the RMR unit is interconnected, provided further that NCPA or the MSSAA Members are not a Participating TO. NCPA, through its Scheduling Coordinator, may meet such obligation from resources it owns or with respect to which it has contractual entitlements to the Energy and Ancillary Services or it may purchase those products through the CAISO Markets in accordance with the terms of the CAISO Tariff.

- 8.2.1 NCPA System Reliability Generation.** NCPA's reliability Generation is currently identified in Schedule 14. In addition, some of NCPA's Generation may provide RMR Generation services to PG&E and in that instance will be subject to the terms of the CAISO Tariff applicable to Reliability Must-Run Generation.
- 8.2.2 Reliability Must-Run Availability.** Should NCPA elect to Load follow in accordance with Section 4.9.13 of the CAISO Tariff, nothing in this Agreement shall obligate NCPA or the NCPA Members to make any Generating Units available as Reliability Must-Run Generation other than those identified in Schedule 14 as RMR Units, unless NCPA or an MSS Member notifies the CAISO that it desires to participate in the RMR Unit designation process. To the extent NCPA does not notify the CAISO that it desires to participate in the RMR Unit designation process, the CAISO agrees that, in circumstances affecting local reliability of the CAISO Controlled Grid that would otherwise be mitigated by RMR Units, any Generation not being used to serve MSS Members will be made available to the CAISO, subject to Article VII of this Agreement.
- 8.3 Voltage Support.** Except as otherwise agreed by the Parties, unless Pacific Gas and Electric Company directs NCPA to maintain a specific voltage at any Point of MSS Interconnection for a NCPA or MSSAA Member Generating Unit, NCPA shall maintain the voltage on NCPA's System so that reactive flows at the Points of MSS Interconnection are within the power factor band of 0.97 lag to 0.99 lead. NCPA shall not be compensated for maintaining the power factor at the levels required by this Section 8.3 within this bandwidth. If NCPA fails to maintain the power factor at the levels specified by this Section 8.3, NCPA's Scheduling Coordinator shall bear a portion of the CAISO's Voltage Support costs.
- 8.4 Black Start.** NCPA shall either provide its own share of CAISO Balancing Authority Area Black Start capability or, to the extent NCPA does not provide its own Black Start capability through its Scheduling Coordinator, NCPA's Scheduling Coordinator shall bear a portion of the CAISO's Black Start costs in accordance with CAISO Tariff Section 4.9.4.5.
- 8.5 Ancillary Services.** The CAISO is entrusted with the responsibility of procuring Ancillary Services for the CAISO Balancing Authority Area. NCPA's responsibility for the CAISO Balancing Authority Area requirements of Ancillary Services shall be determined in accordance with the CAISO Tariff. If NCPA's Scheduling Coordinator's Submission to Self-Provide an Ancillary Service is sufficient to meet NCPA's Ancillary Service Obligation, which capacity is committed to the various required Ancillary Services, and maintains the Ancillary Service capacity as available to the CAISO for that purpose, NCPA's Scheduling Coordinator shall not be required to purchase capacity in the CAISO's Ancillary

Service markets. To the extent NCPA's Scheduling Coordinator does not self-provide sufficient capacity for this purpose, NCPA may, through its Scheduling Coordinator, purchase the required capacity in the CAISO's Ancillary Service markets. To the extent NCPA's Scheduling Coordinator does not maintain the availability of capacity committed to the CAISO for Ancillary Services for that purpose, the Scheduling Coordinator shall be responsible for the applicable charges under the CAISO Tariff.

## ARTICLE IX ACCESS & SCHEDULING

### 9.1 Existing Contracts and Encumbrances and Access to the CAISO Controlled Grid

**9.1.1 Settlement Agreement.** This Agreement is intended to operate in conjunction with the Settlement Agreement. Nothing in this Agreement shall be construed or interpreted in any manner that would interfere with the terms and conditions of any Existing Contract or Encumbrance or relieve the CAISO of its obligation to honor such Existing Contracts and Encumbrances, provided that NCPA or its Scheduling Coordinator shall schedule its use of Existing Contracts and Encumbrances as specified in Section 9.2.3 of this Agreement. The Existing Contracts and Encumbrances are listed on Schedule 13.

**9.1.2 Open Access to CAISO Controlled Grid.** NCPA and the MSS Members shall have open and non-discriminatory access to the CAISO Controlled Grid for the scheduling of transactions that do not utilize Existing Contracts and Encumbrances for it or the MSS Members in accordance with the CAISO Tariff and for other transmission services the CAISO may provide in the future under the CAISO Tariff.

**9.1.3 Use of CAISO Controlled Grid.** NCPA and the MSS Members may use the CAISO Controlled Grid in accordance with the CAISO Tariff to buy and sell electric products in the CAISO Markets and in bilateral transactions with other Market Participants.

**9.1.4 Open Access to NCPA System.** NCPA and the MSSAA Members shall afford open and non-discriminatory access to the transmission facilities included in NCPA's System to any entity qualified to obtain an order under Section 211 of the Federal Power Act that affords such access to the transmission facilities that such entity owns or controls. SVP's comparable obligations are addressed in the SVP MSS Agreement.

## 9.2 Access to CAISO Markets

- 9.2.1 Energy, Ancillary Services and RUC Capacity.** Energy, Ancillary Services and RUC Capacity provided by Generating Units and Loads on NCPA's System may be sold in the CAISO Markets on the terms applicable under the CAISO Tariff to Participating Generators and Participating Loads, respectively, and further applicable to MSS Operators or MSS Aggregators in accordance with the CAISO Tariff, except where otherwise modified by this Agreement. If NCPA's Scheduling Coordinator submits Bids to provide Energy or Ancillary Services from a Generating Unit or Load of NCPA's System, NCPA warrants to the CAISO that it has the capability to provide that service in accordance with the CAISO Tariff and that it shall comply with CAISO Dispatch Instructions for the provision of service in accordance with this Agreement. NCPA may self-provide all or any portion of its obligation for Energy and Ancillary Services in accordance with the CAISO Tariff, except where otherwise specified in this Agreement.
- 9.2.2 Participation in the Integrated Forward Market.** Should NCPA elect to Load follow in accordance with Section 4.9.13 of the CAISO Tariff, NCPA's Scheduling Coordinator must also submit Bids, including but not limited to Self-Schedules, of Supply in the Day-Ahead Market to match its Demand Forecast as developed by NCPA. Sources of Supply may include generation, imports, Existing Transmission Contract deliveries, and trades.
- 9.2.3 Scheduling Timelines.** All Bids, including Self-Schedules, submitted on behalf of the MSS Members for delivery of Energy, Ancillary Services, and RUC Capacity to Loads in NCPA's System and for exports from NCPA's System shall be submitted by a Scheduling Coordinator certified in accordance with the applicable provisions of the CAISO Tariff that has entered into a Scheduling Coordinator Agreement with the CAISO that is currently in effect. The Scheduling Coordinator may be NCPA itself or a Scheduling Coordinator designated by NCPA. Except as otherwise specified in this Section 9.2, NCPA's Scheduling Coordinator shall submit all Bids, including (i) Self-Schedules for the use of its Existing Contracts and Encumbrances, and Transmission Ownership Rights ("TOR") comprising NCPA's System, (ii) Bids and Self-Schedules for the use of the CAISO Controlled Grid as a new firm use, and (iii) Bids, including but not limited to Self-Schedules, for the delivery of Energy and Ancillary Services, within the timelines established by the CAISO Tariff. NCPA's Scheduling Coordinator shall not be precluded from making real-time changes if such scheduling capability is afforded NCPA or MSS Members under Existing Contracts, Encumbrances, or the Settlement Agreement pursuant to Schedule 13 of this Agreement. Schedule 13 includes any scheduling timelines required for Existing Contracts and Encumbrances, and Transmission Ownership Rights comprising NCPA's System. If NCPA elects to perform Load following as an MSS Aggregator in accordance with Section 4.9.13 of the CAISO Tariff, NCPA's Scheduling Coordinator shall have

the ability to deviate from its real-time scheduled amounts in order to follow Load as described in Section 12.12, and not be restricted by the scheduling timelines established by the CAISO Tariff.

**9.2.4 Black Start and Voltage Support.** NCPA or its Scheduling Coordinator shall be entitled to Bid the resources on NCPA's System in any open solicitation held by the CAISO for Black Start or Voltage Support services, provided that the supply of any service by NCPA shall not impair its ability to provide the service it is required by Article VIII of this Agreement to provide for NCPA's System, and, if the services are sold to the CAISO, NCPA or its Scheduling Coordinator shall provide such services in accordance with the CAISO Tariff.

**9.3 Congestion Revenue Rights.** The MSSAA Members as Load Serving Entities are eligible to participate in and receive an allocation of CRRs through the CRR Allocation process in accordance with Section 36 of the CAISO Tariff. NCPA, in order to represent the MSSAA Members in the CRR Allocation process, must execute a *pro forma* MSS Aggregator CRR Entity Agent Agreement in accordance with the CAISO Tariff. Once executed, NCPA will be authorized to act on behalf of the MSSAA Members, acting as the CRR Entity Agent, with regard to CRR matters, including, but not limited to, allowing NCPA to participate in the CRR nomination process, to accept financial responsibility under the agreement, to perform settlement functions, and to comply with other CAISO Tariff requirements.

## ARTICLE X

### GENERATING UNITS AND MARKET-PARTICIPATING LOADS

**10.1 Identification of Resources.** NCPA has identified in Schedule 14 the individual Generating Units and market-participating Loads that NCPA and the MSSAA Members own, operate, or to which they have a contractual entitlement. The individual Generating Units and market-participating Loads that SVP owns, operates, or to which SVP has contractual entitlement are identified in Schedule 14 of the SVP MSS Agreement.

**10.1.1 Technical Characteristics.** NCPA has provided to the CAISO in Schedule 14 the required information regarding the capacity and operating characteristics of each of the Generating Units and market-participating Loads listed in that Schedule. The CAISO may verify, inspect, and test the capacity and operating characteristics provided in Schedule 14, and any changes thereto made pursuant to Section 10.1.2 of this Agreement, in accordance with Section 8.10 of the CAISO Tariff.

**10.1.2 Notification of Changes.** NCPA shall notify the CAISO sixty (60) days prior to any change to the information provided in Schedule 14, provided that such notice shall not be required for changes to parameters of operating limitations

set forth in Schedule 14, which shall be made in accordance with the CAISO's Operating Procedures. The Parties shall amend Schedule 14, as applicable, to reflect that change. Subject to such notification, and verification, inspection, and testing in accordance with Section 10.1.1, but without waiting for the execution and effectiveness of an amended Schedule 14, the Parties shall implement any new information for a Generating Unit or market-participating Load identified in Schedule 14 upon the effective date for the next scheduled update to the CAISO's Master File.

**10.1.3 Generating Unit Limitations.** Nothing in this section shall preclude NCPA from informing the CAISO of changes in limitations on the operation of a Generating Unit, as provided in Section 7.1 of this Agreement, or to comply with environmental laws and regulations, provided that NCPA provides the CAISO with advance notice of any changes in such limitations.

## **10.2 Generating Unit Operation**

**10.2.1 Generating Unit Telemetry.** NCPA shall install and maintain direct telemetry links to the CAISO's EMS system for each NCPA Generating Unit that enable the CAISO to view the status, voltage, and output of the Generating Unit and CAISO certified meters that transmit data automatically to the CAISO's Revenue Meter Data Acquisition and Processing System. NCPA shall calculate and specify to the CAISO any distribution loss factor applicable to the Generating Units of NCPA's System.

**10.2.2 Regulation Ancillary Service.** If NCPA, through its Scheduling Coordinator, chooses to submit Bids to supply Regulation or to make a Submission to Self-Provide an Ancillary Service for Regulation from a Generating Unit, it must provide the CAISO with control over the Generating Unit providing Regulation and place the Generating Unit on Automatic Generation Control ("AGC") responsive to the CAISO's Regulation signal. Regulation service shall be provided in accordance with the CAISO Tariff. NCPA or its Scheduling Coordinator may adjust output of the Generating Units of NCPA's System, in response to NCPA's Load following needs, provided that, if NCPA is providing Regulation to the CAISO from any Generating Unit, it may not adjust the output of that Generating Unit unless the integrity of the CAISO's Regulation signal, and the continuous responsiveness of such Generating Unit, via AGC, to the CAISO's Regulation signal, is not compromised. If the CAISO determines that the integrity of the CAISO's Regulation signal or the continuous responsiveness to the CAISO's Regulation signal is compromised, NCPA's Generating Unit shall be deemed not to have provided the Regulation, and NCPA shall be subject to the provisions of the CAISO Tariff applicable to failure to provide Regulation. To the extent that NCPA chooses not to provide Regulation from an NCPA Generating Unit, the CAISO shall not control the Generating Unit via a direct link between the CAISO and the Generating Unit without NCPA's consent.

**10.3 CAISO Authority to Dispatch NCPA Resources.** The CAISO's authority to issue Dispatch Instructions, including Exceptional Dispatch Instructions, for any portion of the capacity of any Generating Unit of NCPA or the MSS Members, other than in accordance with a Bid submitted to the CAISO by NCPA's Scheduling Coordinator, is set forth in and subject to Section 7.1 of this Agreement.

#### **10.4 WECC Requirements Applicable to Participating Generators**

**10.4.1 Reliability Criteria.** NCPA and the MSSAA Members shall comply with the requirements of Section 4.6.5 of the CAISO Tariff applicable to Participating Generators, and in accordance with Section 3.2.2. SVP's comparable obligations are addressed in the SVP MSS Agreement.

**10.4.2 Payment of WECC Sanctions.** NCPA and the MSSAA Members shall be responsible for payment directly to the WECC of any monetary sanction assessed against NCPA or the MSSAA Members by the WECC, as provided in Section 4.6.5.3 of the CAISO Tariff. SVP's comparable obligations are addressed in the SVP MSS Agreement.

## ARTICLE XI

### METERING

- 11.1 CAISO Certified Revenue Quality Metering.** NCPA shall ensure installation of CAISO-certified revenue quality meters and associated equipment at (a) the Points of MSS Interconnection, and (b) for each Generating Unit listed in Schedule 14, at each bus to which one or more Generating Units is connected, provided that the Demand of any Load at that bus, other than a Generating Unit auxiliary Load, is separately metered.
- 11.2 Metering Requirements.** The provisions of the CAISO Tariff applicable to CAISO Metered Entities shall apply to NCPA, subject to the particular rights and obligations of the Parties with respect to metering set forth in Schedule 15 of this Agreement, including access to and testing of NCPA's meters.
- 11.3 NCPA SQMD Calculation.** The calculation of NCPA's Settlement Quality Meter Data ("SQMD") shall be in accordance with Schedule 15 of this Agreement.

## ARTICLE XII

### CHARGES

- 12.1 Charges Generally.** Except as may be provided otherwise in the provisions contained within Article XII or other sections of this Agreement, NCPA's Scheduling Coordinator shall be responsible for charges incurred in accordance with Sections 4.9 and 11 of the CAISO Tariff, provided that nothing in this Agreement shall prohibit NCPA from challenging the allocation of any new charge under the CAISO Tariff to NCPA on the ground that the proposed charge is not appropriately assessed against a MSS Aggregator and MSS Operator, or on any other ground. Further, except as specifically provided in this Agreement, NCPA shall only be responsible for charges allocated by the CAISO Tariff to Participating TOs if it becomes a Participating TO, as permitted by Section 3.3.7. CAISO and NCPA recognize that Section 12.7.2 below is before the FERC and subject to modification based on a prospective FERC order. The Parties recognize that the FERC is expected to rule on the CAISO's Request for Clarification or Rehearing filed on July 21, 2008 and that such ruling could impact Section 12.7.2. To the extent that the anticipated FERC order requires a change to the existing language of Section 12.7.2, the Parties will promptly meet to amend this Agreement consistent with the FERC order. This proposed language is not intended to waive any arguments any party may have made or any positions it has taken or may take in that proceeding.
- 12.2 Congestion Management.** NCPA shall be responsible for the cost of managing and relieving Congestion within any MSS Member's Service Area, as specified in Section 5.5, only to the extent that the cause of Congestion is attributed to MSS

Member operations. If the cause of Congestion is not directly attributed to MSS Member operations, and the CAISO utilizes Exceptional Dispatch Instructions to resolve the identified Congestion, the resulting costs shall be allocated pursuant to the provisions specified in Section 11.5.6.2.5.2 of the CAISO Tariff, and will not be solely allocated to NCPA.

- 12.3 Unaccounted for Energy Costs.** NCPA's System shall be treated as a Utility Distribution Company Service Area for purposes of allocating responsibility for Unaccounted for Energy costs in accordance with the CAISO Tariff.
- 12.4 Reliability Generation.** NCPA shall be responsible for the costs of maintaining the reliability of transmission facilities in NCPA's System, including costs of Generating Units operated by or on behalf of NCPA for that purpose. If and to the extent NCPA does not maintain sufficient Generation to meet the reliability criteria in Schedule 16 as applied to NCPA's System and thus avoid material adverse impacts on the CAISO Controlled Grid, then NCPA may be assessed costs incurred by the CAISO to support the reliability of NCPA's System.
- 12.5 Neutrality Costs.** NCPA's Scheduling Coordinator's obligation to pay neutrality adjustments and Existing Contracts cash neutrality charges (or collect refunds) shall be based on NCPA's net metered MSS Demand and exports from the CAISO Balancing Authority Area irrespective of the NCPA's MSS Settlement election as specified in Section 4.9.13 of the CAISO Tariff.
- 12.6 CAISO Balancing Authority Area Summer Reliability Costs.** NCPA, through its Scheduling Coordinator, shall have the option to avoid any share of the CAISO's costs for any summer Demand reduction program or for any summer reliability Generation procurement program pursuant to CAISO Tariff Section 42.1.8. In order to avoid such costs, NCPA shall secure capacity on an annual basis at least equal to one hundred fifteen percent (115%) of the peak MSS Demand responsibility of MSSAA Members, and provide documentation to the CAISO of the resources proposed to meet that MSS peak Demand. Such capacity reserves may include on-demand rights to Energy, peaking resources, and MSSAA Members' Demand reduction programs. For the purposes of this Section 12.6, the MSS peak Demand responsibility shall be equal to the forecasted annual coincident MSS peak Demand Forecast plus any firm power sales by MSSAA Members plus any MSSAA Members' on-demand obligations to third parties, less interruptible Loads, and less any firm power purchases. Firm power for the purposes of this Section 12.6 shall be Energy that is intended to be available to the purchaser without being subject to interruption or curtailment by the supplier except for Uncontrollable Forces or emergency, and for which the supplier carries WECC-required operating reserves. To the extent that NCPA demonstrates its provision of capacity reserves in accordance with this Section 12.6 by November 1 for the following calendar year, MSSAA Members' Scheduling Coordinator shall not be obligated to bear any share of the CAISO's costs for any summer Demand reduction program or for any summer reliability

Generation procurement program pursuant to CAISO Tariff Section 42.1.8. SVP must demonstrate its provision of the resources proposed to meet that peak Demand responsibility separately.

**12.7 Allocation of Net IFM Bid Cost Uplift.** NCPA's Scheduling Coordinator's obligation to pay Net IFM Bid Cost Uplift charges shall be based on the following two tier structure:

**12.7.1 Tier 1 IFM Bid Cost Uplift.** The hourly Net IFM Bid Cost Uplift is allocated to NCPA's Scheduling Coordinator in proportion to NCPA's MSS non-negative IFM Load Uplift Obligation, but with an IFM Bid Cost Uplift rate not exceeding the ratio of the hourly Net IFM Bid Cost Uplift for the Trading Hour divided by the sum of all hourly Generation scheduled in the Day-Ahead Schedule and IFM upward AS Awards for all Scheduling Coordinators from CAISO-committed Bid Cost Recovery Eligible Resources in that Trading Hour. The IFM Load Uplift Obligation for NCPA's Scheduling Coordinator is the difference between the total Demand scheduled in the Day-Ahead Schedule of that Scheduling Coordinator and the sum of the scheduled Generation and scheduled imports from Self-Schedules in the Day-Ahead Schedule of that Scheduling Coordinator, adjusted by any applicable Inter-SC Trades of IFM Load Uplift Obligations.

**12.7.2 Tier 2 IFM Bid Cost Uplift.** The Scheduling Coordinator for NCPA as the MSS Aggregator that has elected both to not follow its Load and gross Settlement will be charged for an amount equal to any remaining hourly Net IFM Bid Cost Uplift for the Trading Hour in proportion to NCPA's Measured Demand minus NCPA's Measured Demand served solely by means of valid and balanced TOR Self-Schedules. The Scheduling Coordinator for NCPA as the MSS Aggregator that has elected to follow its Load or net Settlement, or both, will be charged for an amount equal to any remaining hourly Net IFM Bid Cost Uplift for the Trading Hour 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.

**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 HASP 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 HASP reductions not associated with the HASP Self-Scheduled Energy from Load following resources listed in Schedule 14(a) of this Agreement.

- 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 HASP Self-Scheduled Energy from Load following resources identified in Schedule 14(a) of this Agreement and associated Operational Adjustments.
- 12.10 MSS Deviation Band.** The amount by which a Load following MSS Operator can deviate from Expected Energy without incurring a Load Following Deviation Penalty, as defined in Section 12.12, is equal to three percent (3%) of an MSS Operator's gross metered MSS Demand and exports from the MSS, adjusted for Forced Outages and any CAISO directed firm Load Shedding from the MSS's portfolio as a whole.
- 12.11 Load Following Deviation Band Compliance.** To the extent that sufficient Energy for the purposes of serving MSS Demand in the Service Areas of MSS Members for which NCPA serves as MSS Aggregator and or Scheduling Coordinator and exports from the Service Areas of those MSS Members, including losses, is not reflected in Bids, including Self-Schedules, submitted by NCPA's Scheduling Coordinator and delivered in real time, NCPA shall be deemed (through its Scheduling Coordinator) to have purchased or sold Imbalance Energy in the CAISO's Real-Time Market. The CAISO will settle with NCPA's Scheduling Coordinator with regard to Imbalance Energy in accordance with the CAISO Tariff. However, should NCPA elect, on behalf of the MSS Members, in accordance with Section 4.9.13 of the CAISO Tariff, to follow NCPA MSS Demand and exports from the MSS Aggregation with NCPA's System resources and imports into the MSS Aggregation, including Self-Scheduled System Resources and Self-Scheduled Resource Specific System Resources listed in Schedule 14(a), to the extent that the net Imbalance Energy for all of NCPA's MSS Demand and exports from the MSS Aggregation, and NCPA's System resources and imports into the MSS Aggregation, including Self-Scheduled System Resources and Self-Scheduled Resource Specific System Resources listed in Schedule 14(a), is within NCPA's portfolio MSS Deviation Band, as specified in Section 12.10, NCPA's Scheduling Coordinator will not be subject to the Load Following Deviation Penalty, as specified in Section 12.12, or costs other than the cost of the Imbalance Energy itself. Schedule 19 of this Agreement describes the process for calculating the applicable amount of net Imbalance Energy, which is referred to as deviation energy within Schedule 19.

To the extent that NCPA's Scheduling Coordinator is operating outside of its portfolio MSS Deviation Band, NCPA's Scheduling Coordinator shall be subject to the Load Following Deviation Penalty. In following Load, NCPA's Scheduling Coordinator may utilize any resource available to it regardless of whether, or at what level, the resource is reflected in Bids, including Self-Schedules, submitted by NCPA's Scheduling Coordinator, except with respect to any portion of the capacity of a resource for which NCPA's Scheduling Coordinator has scheduled to provide an Ancillary Service or RUC Capacity to the CAISO for that resource or to the extent the CAISO has issued a System Emergency operating order consistent with Section 7.1.1.

**12.12 Deviation Band Penalties Calculation.** For purposes of assessing Load Following Deviation Penalties to NCPA's Scheduling Coordinator, the CAISO will evaluate the amount of (i) positive deviation energy outside of the portfolio MSS Deviation Band supplied to the CAISO Markets or (ii) negative deviation energy outside of the portfolio MSS Deviation Band supplied from the CAISO Markets not served by NCPA resources. To the extent that NCPA's Scheduling Coordinator has provided positive deviation energy outside of the portfolio MSS Deviation Band supplied to the CAISO Markets, measured as defined in Schedule 19, then the payment for excess Energy outside of the portfolio MSS Deviation Band shall be rescinded and thus NCPA's Scheduling Coordinator will pay the CAISO an amount equal to one hundred percent (100%) of the product of the highest LMP paid to the MSS Operator for its Generation in the Settlement Interval for the amount of the Imbalance Energy that is supplied in excess of the portfolio MSS Deviation Band. To the extent that NCPA's Scheduling Coordinator has a negative amount of deviation energy outside of the portfolio MSS Deviation Band supplied from the CAISO Markets that is not served by NCPA resources, measured as defined in Schedule 19, then NCPA's Scheduling Coordinator shall pay the CAISO an amount equal to the product of the Default LAP price for the Settlement Interval and two hundred percent (200%) of the shortfall that is outside of the portfolio MSS Deviation Band. The two hundred percent (200%) penalty is in addition to the charges for the Imbalance Energy that is supplied from the CAISO Markets.

**12.13 Operating and Maintenance Costs.** NCPA shall be responsible for all its costs incurred in connection with procuring, installing, operating, and maintaining the facilities, Generating Units, and market-participating Loads of NCPA's System for the purpose of meeting its obligations under this Agreement.

**12.14 Billing and Payment.** Billing and payment will be in accordance with the CAISO Tariff.

**12.15 MSS Net Negative Uninstructed Deviation.** The calculation of MSS Net Negative Uninstructed Deviation must include MSS Load Following Energy and HASP 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 HASP 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.

**12.16 Residual Unit Commitment.** Should NCPA elect, on behalf of the MSS Members, in accordance with Section 4.9.13 of the CAISO Tariff to perform Load-following, NCPA will be considered to have automatically opted-out of RUC participation, and NCPA's Scheduling Coordinator will be exempt from costs associated with RUC and Bid Cost Recovery for RUC.

**12.17 Emissions Costs.**

**12.17.1** Unless specified otherwise in this Agreement, if the CAISO is compensating Generating Units for Emissions Costs, and if NCPA as MSS Aggregator elects to charge the CAISO for the Emissions Costs of the Generating Units serving 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 MSS Aggregator's gross Measured Demand excluding out of state exports. The Scheduling Coordinator for NCPA as an MSS Aggregator shall only be eligible to submit Emissions Cost Invoices pursuant to Section 11.18.6 of the CAISO Tariff if NCPA's MSS Generating Units have been made available to the CAISO through the submittal of Energy Bids.

**12.17.2** If NCPA as MSS Aggregator elects not to charge the CAISO for the Emissions Costs of the Generating Units serving 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 MSS Aggregator's net Measured Demand excluding out-of-state exports.

**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 HASP Self-Scheduled Energy from Load following resources identified in Schedule 14(a) of this Agreement and associated Operational Adjustments included in the netting.

**12.17.4** NCPA as MSS Aggregator shall make the election of whether to charge the CAISO for these costs on an annual basis on November 1 for the following calendar year.

### ARTICLE XIII

#### PENALTIES AND SANCTIONS

- 13.1 Penalties.** NCPA or its Scheduling Coordinator shall be subject to penalties and/or sanctions for failure to comply with any provisions of this Agreement only to the extent that (a) the penalty or sanction is set forth in the CAISO Tariff and has been approved by FERC; and (b) the CAISO Tariff provides for the imposition of the same penalty or sanction on a UDC, MSS Aggregator, MSS Operator, Participating Generator, or Participating Load in the same circumstances. Nothing in this Agreement, with the exception of the provisions of Article XIV, shall be construed as waiving the rights of NCPA to oppose or protest any penalty or sanction proposed by the CAISO to the FERC or the specific imposition by the CAISO of any FERC-approved penalty or sanction on NCPA.
- 13.2 Corrective Measures.** If NCPA or its MSSAA Members fail to meet or maintain the requirements set forth in this Agreement or in the applicable provisions of the CAISO Tariff, the CAISO shall be permitted to take any of the measures, contained or referenced herein or in the applicable provisions of the CAISO Tariff, that the CAISO deems to be necessary to correct the situation.

### ARTICLE XIV

#### DISPUTE RESOLUTION

- 14.1 Dispute Resolution.** NCPA and the CAISO shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, NCPA and the CAISO shall adhere to the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff, which is incorporated by reference, except that any reference in Section 13 of the CAISO Tariff to Market Participants shall be read as a reference to NCPA and references to the CAISO Tariff shall be read as references to this Agreement.

### ARTICLE XV

#### REPRESENTATIONS AND WARRANTIES

- 15.1 Representations and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.
- 15.2 Necessary Approvals.** Each Party represents that all necessary leases, approvals, licenses, permits, easements, rights of way or access to install, own

and/or operate its facilities subject to this Agreement have been or will be obtained prior to the effective date of this Agreement.

- 15.3 NCPA Representation of MSS Members.** NCPA represents and warrants that, as of the effective date of this Agreement as set forth in Section 2.1, it is authorized by all applicable MSS Members to perform the duties and obligations set forth in this Agreement.

## ARTICLE XVI

### LIABILITY AND INDEMNIFICATION

- 16.1 Liability and Indemnification.** The provisions of Section 14 of the CAISO Tariff will apply to liability and indemnification arising under this Agreement, except that all references in Section 14 of the CAISO Tariff to Market Participants shall be read as references to NCPA and references to the CAISO Tariff shall be read as references to this Agreement.

## ARTICLE XVII

### UNCONTROLLABLE FORCES

- 17.1 Uncontrollable Forces.** Section 14.1 of the CAISO Tariff shall be incorporated by reference into this Agreement, except that all references in Section 14.1 of the CAISO Tariff to Market Participants shall be read as a reference to NCPA and references to the CAISO Tariff shall be read as references to this Agreement.

## ARTICLE XVIII

### MISCELLANEOUS

- 18.1 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in writing to the employee or official identified in Schedule 17 of this Agreement, and shall be deemed properly given: (a) upon delivery, if delivered in person, (b) five (5) days after deposit in the mail if sent by first class United States mail, postage prepaid, (c) upon receipt of confirmation by return facsimile if sent by facsimile, or (d) upon delivery if delivered by prepaid commercial courier service. A Party must update the information in Schedule 17 as the information changes. Such changes shall not constitute an amendment to this Agreement.
- 18.2 Waivers.** Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this

Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

- 18.3 Governing Law and Forum.** This Agreement shall be deemed to be a contract made under, and for all purposes shall be governed by and construed in accordance with, the laws of the State of California, except its conflict of laws provisions. The Parties agree that any legal action or proceeding arising under or relating to this Agreement to which the CAISO ADR Procedures do not apply shall be brought in one of the following forums as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.
- 18.4 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to the provisions of this Agreement.
- 18.5 Counterparts.** This Agreement 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.
- 18.6 Consistency with Federal Laws and Regulations.** Nothing in this Agreement shall compel either Party to violate federal statutes or regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on a Party by such federal statute, regulation or order, to that extent, it shall be inapplicable to that Party. No Party shall incur any liability by failing to comply with a provision of this Agreement that is inapplicable to it by reason of being inconsistent with any such federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such Party shall use its best efforts to comply with this Agreement, to the extent that applicable federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.
- 18.7 Severability.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

**18.8 Assignments.** NCPA and the CAISO may each assign its respective rights and obligations under this Agreement, with the prior written consent of the other, in accordance with Section 22.2 of the CAISO Tariff, which is incorporated by reference into this Agreement. Such consent shall not be unreasonably withheld.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their 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: \_\_\_\_\_

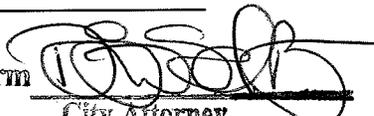
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF LODI**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Approved as to form   
City Attorney

**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 1**  
**NCPA'S SYSTEM FACILITIES**  
**[Section 4.1, 4.4, 4.5.3, 5.1.2, 6.1, 6.3]**

The following facilities form NCPA's System, including the Points of MSS Interconnection.

## Points of MSS Interconnection

Member Customer	Point of MSS Interconnection	Voltage (kV)	2010 Normal Delivery Capability (MW)	2010 Coincident Peak Load (MW)	2010 Non – Coincident Peak Load (MW)
Alameda	Oakland Substation C and Oakland Substation J	115 (Both Points)	229	58.51	68.35
Biggs	Biggs Sub (60 kV and 12 kV)	60 and 12	29.2	2.78	3.94
Gridley	Gridley Sub	60	62	10.14	10.54
Healdsburg	Healdsburg Sub	60	28	20.48	20.48
Lodi**	Industrial Sub (Lodi Line 1 and Lodi Line 2); and White Slough STIG <sup>1</sup>	60 (Both Industrial Points) 230 (White Slough STIG)	124.5	121.39	123.97
Lompoc	Lompoc Sub (Lompoc Line 1 and Lompoc Line 2)	115 (Both Points)	72.5	18.30	24.14
Palo Alto	Colorado Sub (Palo Alto Line 1, Palo Alto Line 2, and Palo Alto Line 3)	115 (All 3 Points)	379	178.79	186.24
Plumas Sierra***	Quincy Sub Marble Sub	60 60	28.3	22.89	26.09
Ukiah***	Babcock Sub	115	31.4	31.51	31.51
Silicon Valley Power*	Northern Receiving Station (NRS) (Newark-NRS No. 1, Newark-NRS No. 2, and Nortech-NRS); Kifer Receiving Station (Newark-Kifer and FMC-Kifer); and SVP Switching Station (SSS)	115 (All 5 NRS and Kifer Points)  230 (SSS)			
Port of Oakland	San Leandro – Oakland “J”, 10286 115-kV for Edes #1 Tap; Oakland “J” – Grant, 10244 115-kV for Edes #2 Tap; Oakland “C”	115	16.7	8.93	10.62

<sup>1</sup> Lodi Wastewater treatment plant Load will be served via the Lodi White Slough STIG Interconnection with PG&E, be separately metered, and be included in the normal, coincident and non-coincident Load information for Lodi.

	Maritime Tap; and Oakland Army Base Tap	115	40		
		115	40		

\*The Points of MSS Interconnection listed herein for Silicon Valley Power are governed by the terms of the Silicon Valley Power MSS Agreement with the CAISO with respect to the operational and other matters addressed in that agreement.

\*\*The Normal Delivery Capacity listed for the City of Lodi is expected to be upgraded in the near future, and does not reflect the offset provided by the Lodi Combustion Turbine, approximately 25 MW, that will be used to suppress peak Demand when the Normal Delivery Capacity is exceeded.

\*\*\*The Normal Delivery Capacity listed for the City of Ukiah and Plumas Sierra is expected to be upgraded in the near future. The Plumas Sierra listing does not reflect the offset provided by the Plumas interconnection with the Sierra Pacific Balancing Authority Area at Marble Substation, which can be used to serve peak Demand where the Normal Delivery Capacity is exceeded. The City of Ukiah listing does not reflect the offset provided by the Lake Mendocino Hydro Aggregate, approximately 3.5 MW, which will be used to suppress peak Demand when the Normal Delivery Capacity is exceeded.

The Points of Interconnection for all Generating Units listed on Schedule 14 also are Points MSS of Interconnection.

#### Other System Facilities

1. Double Circuit 230 kV line from Collierville to Bellota.
2. MSS Members' rights in Transmission Agency of Northern California's (TANC) ownership of the California-Oregon Transmission Project (COTP), to the extent that a portion of the COTP remains in the CAISO Balancing Authority Area.
3. Two 230 kV lines from Geysers to Castle Rock Junction. NCPA 230 kV No. 1 goes from Geothermal Plant No. 1 to Lakeville. NCPA 230 kV No. 2 goes from Geothermal Plant No. 2 to Fulton.
4. All facilities listed on Schedule 14 of this Agreement.

**SCHEDULE 2**  
**INTERCONNECTED OPERATION STANDARDS**  
**[Section 4.2]**

The CAISO and NCPA shall jointly maintain stable operating parameters and control real and reactive power flows in accordance with the following Interconnected Operation Standards.

**NCPA Responsibilities**

- 1.0 NCPA shall operate the facilities of NCPA's System at each Point of MSS Interconnection in such manner as to avoid any material or adverse impact on the CAISO Balancing Authority Area. In accordance with this performance goal, NCPA shall:
  - 1.1 Operate the facilities of NCPA's System at each Point of MSS Interconnection within established operating parameters including normal ratings, emergency ratings, voltage limits, and balance of load between electrical phases.
  - 1.2 Maintain primary and backup protective systems such that faults on NCPA's System facilities will be cleared within the timeframe specified by the Participating TO and NCPA with minimal impact on the CAISO Controlled Grid.
  - 1.3 Maintain Load power factor at each Point of MSS Interconnection with the CAISO Controlled Grid in accordance with Section 8.3 of this Agreement unless requested by PG&E to operate power factor at a specific value for system reliability purposes.
  - 1.4 In addition, NCPA shall operate the facilities of NCPA's System at each Point of MSS Interconnection in accordance with the requirements applicable to Utility Distribution Companies in the CAISO Operating Procedures and standards, and such that at the Points of MSS Interconnection between the CAISO Controlled Grid and NCPA's System no circuits or equipment shall exceed the allowable ampacity rating or simultaneous transfer limit between the CAISO Controlled Grid and NCPA's System (such simultaneous transfer limit shall be studied and established by the Parties). If the actual or anticipated power flow between the CAISO Controlled Grid and NCPA's System causes a circuit at a Point of MSS Interconnection to exceed its applicable ampacity rating or such flow exceeds or is anticipated to exceed the agreed to allowable simultaneous transfer limit between the CAISO Controlled Grid and NCPA's System, and further if the CAISO determines and NCPA concurs with the CAISO's determination, in accordance with Good Utility Practice, that NCPA's System is the cause of such exceedance or anticipated exceedance, NCPA retains the right, and the CAISO

shall have the right to require NCPA, to take immediate action to reduce such flow on the overloaded circuit or reduce such simultaneous power flow between the CAISO Controlled Grid and NCPA's System by one or more actions (as determined by NCPA) including, but not limited to, increasing internal Generation within NCPA's System or curtailing MSS Member Load as necessary. If the CAISO determines, in accordance with Good Utility Practice, that NCPA's System is not the cause of the existing or anticipated exceedance, the CAISO may require third parties to take necessary action to reduce flows on overloaded circuits or reduce simultaneous power flows between the CAISO Controlled Grid and NCPA's System if applicable and allowable through arrangements that the CAISO may have with such third parties or pursuant to the CAISO's authority under the CAISO Tariff or its delegated jurisdictional authority through WECC or NERC. If the CAISO is unable to determine a) whether NCPA's System caused, or b) to what extent NCPA's System may have caused, such exceedance or anticipated exceedance, or c) the Parties do not agree on the causation determination, the Parties agree, in accordance with Good Utility Practice, to confer and mutually decide what actions shall be taken.

### **CAISO Responsibilities**

- 2.0 The CAISO shall operate the CAISO Controlled Grid at each Point of MSS Interconnection with NCPA in such manner as to avoid any material or adverse impact on NCPA facilities. In accordance with this performance goal, the CAISO shall:
- 2.1 Participate with all affected parties (including NCPA and PG&E) in the development of joint power quality performance standards and jointly maintain compliance with such standards.
- 2.2 Observe NCPA grid voltage limits specified in Attachment 1 including requirements for reduced voltage on CAISO Controlled Grid facilities which apply during heavy fog (or other unusual operating conditions) as needed to minimize the risk of insulator flashover. Any anticipated reduction in operating voltages on CAISO Controlled Grid facilities shall be studied and established by NCPA and the CAISO.
- 2.3 Approve NCPA's maintenance requests in a timely manner for transmission facilities that impact the CAISO Controlled Grid, and shall not unreasonably withhold approval of such requests for authorization to perform energized insulator washing work or to take planned Outages needed to replace or insul-grease insulators.
- 2.4 Support NCPA investigation of power quality incidents, and provide related data to NCPA in a timely manner.

- 2.5 Support installation of apparatus on the CAISO Controlled Grid to improve power quality, and take all reasonable measures to investigate and mitigate power quality concerns caused by actions or events in neighboring systems or Balancing Authority Areas.
  
- 2.6 Maintain Load power factor at each Point of MSS Interconnection with NCPA's System in accordance with Section 8.3 of the Agreement.

**SCHEDULE 2**  
**ATTACHMENT 1**  
**NCPA GRID VOLTAGE LIMITS**

There are no NCPA grid voltage limitations at the present time.

**SCHEDULE 3**  
**RIGHTS OF ACCESS TO FACILITIES**

**[Section 4.5.1]**

- 1.0 Equipment Installation.** In order to give effect to this Agreement, a Party that requires use of particular equipment (the equipment owner) may require installation of such equipment on property owned by the other Party (the property owner), provided that the equipment is necessary to meet the equipment owner's service obligations and that the equipment shall not have a negative impact on the reliability of the service provided, nor prevent the property owner from performing its own obligations or exercising its rights under this Agreement.
- 1.1 Free Access.** The property owner shall grant to the equipment owner free of charge reasonable installation rights and rights of access to accommodate equipment inspection, maintenance, repair, upgrading, or removal for the purposes of this Agreement, subject to the property owner's reasonable safety, operational, and future expansion needs.
- 1.2 Notice.** The equipment owner shall provide reasonable notice to the property owner when requesting access for site assessment, equipment installation, or other relevant purposes. Such access shall not be provided unless the parties mutually agree to the date, time, and purpose of each access. Agreement on the terms of the access shall not be unreasonably withheld or delayed.
- 1.3 Removal of Installed Equipment.** Following reasonable notice, the equipment owner shall be required, at its own expense, to remove or relocate equipment, at the request of the property owner, provided that the equipment owner shall not be required to do so if it would have a negative impact on the reliability of the service provided, or would prevent the equipment owner from performing its own obligations or exercising its rights under this Agreement.
- 1.4 Costs.** The equipment owner shall repair at its own expense any property damage it causes in exercising its rights and shall reimburse the property owner for any other reasonable costs that it may be required to incur to accommodate the equipment owner's exercise of its rights under Section 4.5 of this Agreement.
- 2.0 Rights to Assets.** The Parties shall not interfere with each other's assets, without prior written agreement.
- 3.0 Inspection of Facilities.** In order to meet their respective obligations under this Agreement, each Party may view or inspect facilities owned by the other Party.

Provided that reasonable notice is given, a Party shall not unreasonably deny access to relevant facilities for viewing or inspection by the requesting Party.

**SCHEDULE 4**  
**MAINTENANCE COORDINATION**

**[Section 5.1.2, 6.3]**

NCPA shall exchange with the CAISO a provisional planned Outage program for all lines and equipment in Schedule 1 in accordance with the CAISO Tariff. That document will be updated quarterly or as changes occur to the proposed schedule.

The CAISO shall approve all proposed Outages on equipment and lines listed on Schedule 1 unless a proposed Outage would cause the CAISO to violate Applicable Reliability Criteria. Approval of Outages shall not be unreasonably withheld.

As noted on Schedule 1, some facilities are jointly owned by NCPA and one or more other entities. The CAISO acknowledges that, under the terms of the operating agreements applicable to each such facility, NCPA may not be able to control unilaterally the timing of Outages. NCPA shall exercise its rights under the operating agreements, if any, applicable to each jointly owned facility listed on Schedule 1 to coordinate scheduling of Outages with the CAISO in accordance with this Agreement to the maximum extent possible and shall not enter into any operating agreement or amendment to an existing operating agreement with respect to any such facility that diminishes NCPA's rights to schedule Outages. However, NCPA shall communicate directly to the CAISO regarding its coordination of scheduled Outages.

Applications for scheduled work shall be submitted to the CAISO by NCPA's Grid Operations group via means to be agreed to by both Parties. The documents submitted by NCPA shall record the details for all work and become the database for reporting and recording Outage information.

**SCHEDULE 5**  
**CRITICAL PROTECTIVE SYSTEMS**

**[Section 5.3]**

Distribution protective relay schemes affecting the CAISO Controlled Grid are those associated with transformers that would trip transmission breakers and/or busses at NCPA's Points of MSS Interconnection when activated. These would include any of the following:

1. High Side Overcurrent Relays
2. Differential Overcurrent Relays
3. Sudden Pressure Relays
4. Low Oil Relays
5. Neutral Ground Overcurrent Relays
6. On fuse protected transformers, it would be the high-side fuses.

NCPA shall provide the CAISO a description of the relaying schemes at the Points of MSS Interconnection prior to commencing operations as an MSS Aggregator.

**SCHEDULE 6**

**[RESERVED]**

## **SCHEDULE 7 EMERGENCIES**

### **[Section 7.2]**

The CAISO shall notify NCPA's Dispatch Center ("NDC") Operator of the emergency, including information regarding the cause, nature, extent, and potential duration of the emergency. The NDC Operator shall make the appropriate notifications within NCPA organization. The NDC Operator shall then take such actions as are appropriate for the emergency.

NCPA shall make requests for information from the CAISO regarding emergencies through contacts to the CAISO's Operations Shift Supervisor, by the NDC Operator, or NCPA's Information Officer may coordinate public information with the CAISO Communication Coordinator.

NCPA is required to estimate service restoration by geographic areas, and shall use its call center and the media to communicate with customers during service interruptions. NCPA is also required to communicate the same information to appropriate state and local governmental entities. For transmission system caused outages, the CAISO's Operations Shift Supervisor will notify the NDC Operator, who will make appropriate notifications within NCPA's organization of any information related to the outage such as cause, nature, extent, potential duration and customers affected.

NCPA and CAISO Grid Control Center logs, Electric Switching Orders and Energy Management System temporal database will be used in preparation of Outage reviews. These documents are defined as the chronological record of the operation of the activities which occur with the portion of the electrical system assigned to that control center. The log shall contain all pertinent information, including orders received and transmitted, relay operations, messages, clearances, accidents, trouble reports, daily switching program, etc.

NCPA shall retain records in accordance with its standard practices for six years.

## **SCHEDULE 8**

### **UNDERFREQUENCY LOAD SHEDDING**

#### **[Section 7.4.1, 7.4.5]**

The objective of the Underfrequency Load Shedding (UFLS) program is to provide security and protection to the interconnected bulk power network by arresting frequency decay during periods of insufficient resources.

NCPA's UFLS program establishes Underfrequency Load Shedding objectives consistent with the Load Shedding policies of the WECC, NERC and NCPA. NCPA's UFLS program, as implemented by the MSSAA Members, shall at all times comport with the requirements of the WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Plan (Final Report November 25, 1997, as revised December 5, 2003) and any of its subsequent amendments. NCPA's UFLS program utilizes WECC planning criteria in this area. Per WECC requirements, UFLS is on the feeder side of the transformer.

NCPA's UFLS program, other than for the Port of Oakland, is set forth in Attachment A to NCPA's EAP, which is attached to Schedule 11, and incorporates the tripping scheme set forth therein.

The Port of Oakland will continue to participate in the UFLS program of PG&E. The Port of Oakland's Interconnection Agreement with PG&E, dated December 15, 2000 (with a termination date in Section 5.3.1(b) of that agreement of no later than January 1, 2021) and which, to the extent relevant to the UFLS obligations under this Agreement, is incorporated herein by reference, provides the Port of Oakland's UFLS program for distribution circuits when required by PG&E in accordance with the PG&E Electrical Emergency Plan (EEP) dated June 20, 2002 and which, to the extent relevant to the UFLS obligations under this Agreement, is incorporated herein by reference. NCPA will develop a separate UFLS program for the Port of Oakland prior to such time as the Port of Oakland's Interconnection Agreement with PG&E described above may cease to apply for any reason to the Port of Oakland, including without limitation by way of amendment or termination, or that would in the CAISO's discretion effectively cease to satisfy the UFLS obligations under this Agreement. Until such time as NCPA and the Port of Oakland implement a program for Port of Oakland's UFLS independent of PG&E, NCPA and the Port of Oakland shall continue to operate in accordance with the applicable PG&E EEP dated June 30, 2002 and the Port of Oakland's Interconnection Agreement with PG&E, dated December 15, 2000. NCPA will notify the CAISO immediately if the PG&E UFLS program described above ceases to apply to Port of Oakland.

This Schedule 8 and the NCPA EAP shall be revised to incorporate an updated UFLS program, including any separate UFLS program for Port of Oakland, upon implementation by NCPA.

**SCHEDULE 9**  
**OTHER AUTOMATIC LOAD SHEDDING**

**[Section 7.4.1]**

NCPA has no other automatic Load Shedding devices other than those identified in Schedule 8.

**SCHEDULE 10**  
**MANUAL LOAD SHEDDING**

**[Section 7.4.2]**

Criteria for the implementation of manual Load Shedding are set forth in the NCPA Emergency Action Plan attached to Schedule 11.

**SCHEDULE 10A**  
**ROTATING LOAD CURTAILMENT PROCEDURES**

**[Section 7.4.2]**

NCPA's rotating Load curtailment procedures are described in the NCPA Emergency Action Plan attached to Schedule 11. To maintain a minimum amount of continuously interrupted Load, as directed by the CAISO, for an extended amount of time, no portion of NCPA's interrupted Load shall be restored unless an equal or greater amount of Load is interrupted first.

**SCHEDULE 10B  
INTERRUPTIBLE LOAD**

**[Section 7.4.2]**

Should NCPA or any MSSAA Member establish an interruptible Load program and seek to Bid any interruptible Load into any CAISO Market, NCPA shall provide a complete description of the program to the CAISO at least sixty (60) days prior to the submission of the first such Bid by NCPA's Scheduling Coordinator and all applicable Operating Procedures shall be followed. SVP's comparable obligations are described within the SVP MSS Agreement.

**SCHEDULE 11**  
**EMERGENCY ACTION PLAN**

**[Sections 5.2, 7.1, 7.1.1, 7.1.2, 7.5.1 and 7.5.2]**

NCPA's current Emergency Action Plan is attached to this Schedule 11. The NCPA Dispatch Center (NDC) will be the first point of contact for NCPA Emergency Operations under this Agreement, except with respect to the Port of Oakland. All directives/orders affecting the individual MSSAA Members, other than the Port of Oakland, will be issued through the NDC.

The Port of Oakland will continue to participate in the UFLS program and the manual Load Shedding program of PG&E, subject to the terms of Schedule 8, this Schedule 11, and the attached EAP.

The Port of Oakland's Interconnection Agreement with PG&E, dated December 15, 2000 and which, to the extent relevant to the manual Load Shedding obligations under this Agreement, is incorporated herein by reference, provides the Port of Oakland procedure for service interruptions to distribution circuits when required by PG&E to implement manual Load Shedding in accordance with the relevant applicable PG&E Electrical Emergency Plan (EEP) dated June 30, 2002 and which, to the extent relevant to the manual Load Shedding obligations under this Agreement, is incorporated herein by reference. NCPA will develop a separate manual Load Shedding program for the Port of Oakland prior to such time as the Port of Oakland's Interconnection Agreement with PG&E described above may cease to apply for any reason to the Port of Oakland, including without limitation by way of amendment or termination, or that would in the CAISO's discretion effectively cease to satisfy the manual Load Shedding obligations under this Agreement. Until such time as NCPA and the Port of Oakland implement a program for Port of Oakland manual Load Shedding and rotating service interruptions independent of PG&E, NCPA and the Port of Oakland will continue to operate in accordance with the applicable PG&E EEP dated June 30, 2002 and the Port of Oakland's Interconnection Agreement with PG&E, dated December 15, 2000. NCPA will notify the CAISO immediately if the PG&E manual Load Shedding program described above ceases to apply to Port of Oakland.

This Schedule 11 and the NCPA EAP shall be revised to incorporate updates, including any separate manual Load Shedding program for Port of Oakland, upon implementation by NCPA.

**NCPA EMERGENCY ACTION PLAN (EAP)****PURPOSE**

A. The primary purpose of this plan is to provide the MSS Members (MSSs), other than the Port of Oakland, and NCPA Staff with a written procedure to follow in case of System Emergencies that may directly and/or indirectly affect the NCPA Member(s) abilities to schedule their resources and MSS Demand within the California Independent System Operator (CAISO) Balancing Authority Area. The Port of Oakland will be subject to the procedures in case of System Emergencies specified in the Pacific Gas and Electric Company (PG&E) Electrical Emergency Plan (EEP) dated June 30, 2002 and is not subject to the procedures set forth herein. There may be times that the CAISO Balancing Authority Area is experiencing adverse conditions (i.e., storms, fires, loss of generation, transmission, etc.) causing large interruptions to load throughout the state. During these conditions this EAP will allow the NCPA Dispatch Center (NDC) to operate under established emergency procedures with CAISO and PG&E. System Emergencies shall be limited as specified in Section 7.1 of the NCPA MSS Aggregator Agreement (MSSAA), whereby NCPA acts as MSS Aggregator for the MSS Members within the Service Area of the NCPA System, dated 9/1/2002, as amended.

B. The secondary purpose of this plan is to satisfy the requirements of the MSSAA.

It is NCPA's goal to use all available resources to help limit the amount of power interruption to all NCPA Member Cities by assisting the CAISO, PG&E-TOC, SMUD (in coordination with Western as required) and/or the WECC Reliability Coordinators in the prevention and/or the restoration of grid related outages throughout the Western United States.

The CAISO will make every effort during a System Emergency that is the result of a deficiency of resources to meet Demand in the CAISO Balancing Authority Area, as specified in Section 7.7.11.4 of the CAISO's Tariff, and to facilitate the continued export of Energy to the City of Roseville to which the City of Roseville would otherwise be entitled. However, the CAISO may request that NCPA limit exports to the City of Roseville during a System Emergency that is not the result of a deficiency of resources to meet Demand in the CAISO Balancing Authority Area but instead occurs due to operating contingencies, which may include but not be limited to a forced loss of resources and/or transmission components or may otherwise be caused by an Uncontrollable Force.

**REFERENCES**

- NCPA Emergency Notification Procedure (7/07)
- NCPA System Alert Procedure #600-15
- NCPA EAP Lake Alpine Dam
- NCPA EAP Utica Reservoir Dam

- NCPA EAP New Spicer Meadows Dam
- NCPA EAP McKay's Point Diversion Dam
- NCPA/CAISO Reserve Sharing Agreement
- CAISO Operating Procedure 4610 –System Restoration
- CAISO Operating Procedure 4510 –Load Management
- CAISO Operating Procedure 4420 – Electrical System Emergency
- CAISO Operating Procedure 4220 – Restricted Maintenance Operations
- CAISO Operating Procedure 7320 –Bay Area Transmission Management
- PG&E Electric Emergency Plan – Dated 06/30/2002

## **RESPONSIBILITY**

**1.0** The NDC will be the first point of contact for NCPA Emergency Operations under the NCPA Operating Procedures, CAISO Emergency Operations under the CAISO Operating Procedures and all Emergency Operations under the MSSAA. All directives/orders affecting the individual MSSAA Members will be issued through the NDC. In the event of any conflicting instructions/orders with the above procedures from a third party, and in the absence of any direct order from the WECC Reliability Coordinator, the NDC instructions/orders will prevail. The NDC will ensure that all emergency procedures are followed and all instructions for the operation of all the NCPA Resources are directed by the NDC or its designate following the applicable NERC Reliability Standards and WECC Criteria, as well as "Good Utility Practice".

**1.1** The NDC may have to relocate operations to the Disaster Recovery Center ("DRC"). During this time, all orders, instructions and coordination with CAISO and PG&E will be communicated by the NDC from the DRC. NCPA on call staff including the dispatch support person will be dispatched per this EAP by the NDC either from the normal or back-up locations. See Attachment C of the EAP.

**a.** The MSSAA Members Underfrequency Load Shedding Schemes are to be in compliance with WECC requirements and in service at all times or have reported to the NDC the reason for being out of service and the estimated time it will return to normal status (in service). See Attachment A of the EAP.

**b.** The NCPA Scheduling Coordinator (NCPA-SC) will follow the NCPA Emergency Notification Procedure for communication with the MSSAA Members and their associated Operation Centers of all conditions calling for the NCPA EAP and/or the CAISO System Emergency Operating Procedures to be placed in service.

## **PROCEDURE**

**2.0** The NDC will make notifications to all parties associated with the NCPA Emergency Notification Procedure when implementing the EAP. The EAP will be implemented when, in the judgment of the NDC, conditions in the CAISO Balancing Authority Area will be affecting NCPA Operations or if the CAISO, PG&E Transmission Operation

Center (PG&E-TOC) and/or WECC Reliability Coordinators declare a WECC System or statewide emergency. The EAP may also be implemented by the NDC in cases where only NCPA is experiencing an emergency (i.e., EAP's associated with the Hydro Project and/or other resource failures).

**2.1** As provided in the MSSAA, the CAISO will communicate all instructions for NCPA to follow through the NDC (the CAISO may communicate with the NDC directly or through its assignee, provided that the procedure for the CAISO's designation of any assignee is agreed to by NCPA). All instructions will be followed under the MSSAA to the extent they do not conflict with NCPA Policies & Procedures, as incorporated in NCPA EAP, or violate any State and Local laws.

**a.** NCPA can only deliver power outside of the MSS that is surplus to the MSS full requirements as reasonably determined and documented by the NDC.

**b.** NCPA cannot supply generation to third parties unless the native load of NCPA and the MSS Members is being 100% served.

**c.** NCPA, while participating in involuntary load curtailments, cannot provide such realized surplus power unless the CAISO is under System Emergency Stage 3 Contingency Conditions.

**2.2** NCPA will communicate with CAISO, PG&E-TOC, WECC Reliability Coordinator and any affected third party during the time the EAP is in force.

**a.** In coordination with the EAP, the NDC will implement NCPA Policy #600-15 and Issue a NCPA System Alert Message. All work on NCPA Resources and their associated facilities is to be cancelled and all resources that can be returned to service should be returned with the exception of annual planned Unit outages.

**b.** The NDC will coordinate the implementation of all CAISO Emergency Procedures with the MSSAA Members including Stage-3 involuntary load curtailments and the potential of manual deep load shedding by CAISO through PG&E-TOC (see Attachment B to the EAP). NCPA will provide all necessary post-event information to CAISO, and if applicable to PG&E-TOC, regarding the amounts of load curtailed per MSS Member.

**c.** The NDC Shift Dispatcher has the authority to implement the operations under this EAP and to dispatch the NCPA Resources to assist in restoring the CAISO and/or WECC Grid to normal status even if doing so requires manual load shedding of the MSSAA Member Loads or other actions that may be necessary as determined by the NDC Shift Dispatcher.

## **NCPA ACTIONS**

**3.0** The NDC will contact the Dispatch Supervisor to coordinate double coverage in the NDC when implementing the EAP. In addition, the Relief Operators are to be notified

that the NCPA-EAP has been implemented and they are to be on call during this time in case additional personnel are needed. The NDC information systems support staff will be notified to standby in case of SCADA or other related computer complications during the time the EAP is in service.

**3.1** The NCPA Unmanned Generating Plants are to be manned, this includes the Collierville Hydro Plant, CT#1 (3 simple cycle Units), the STIG 50mw Unit and the Murphy's Hydro Headquarters. The NCPA Geothermal Project (four units) is already manned; geothermal staff needs to be notified that the EAP has been implemented. The generation transmission connections to the CAISO grid are controlled from the power plant switches and can be operated by the NDC via SCADA for all stations except the Geothermal facility, which are controlled by SCADA at the plant sites. Communication with the plants before operation of station switches must be established before any operations occur.

**a.** The NCPA Collierville generating Units (250mws) should be on line at minimum load, available for full load pickup if requested by the CAISO, PG&E-TOC and/or the WECC Reliability Coordinators pending other operational constraints.

**b.** All backup generators for station service and UPS Systems batteries including the NDC are to be available and maintained in good operating condition at all times with ample fuel supply/charge so as to meet the demand needed during total blackout conditions.

**c.** The NDC staff will have all applicable operating procedures readily available for any system emergency in which NCPA may be involved either directly or in fulfillment of its obligations pursuant to the MSSAA to aid in the prevention of damage to and/or the restoration of the CAISO and/or the WECC associated grid.

**d.** The NDC will be prepared to switch Operation Centers over to the DRC if the need arises. The NCPA Dispatcher and the dispatch support person are to bring with them the EAP along with any other documents that may be needed before additional staff support arrives.

**e.** The NDC will follow the WECC communication plan as it pertains to our NDC operation.

**f.** The NDC VHF base radio station with direct communication to all generation facilities will be tested and kept in service at all times. Communication with the generation facilities is to be established during the times the EAP is in service.

**g.** The NCPA plant sites all have cell phones as a backup. Standing orders will be issued to all plant sites on operation of the Units in case of communication loss including Black Start procedures.

h. The NDC will Black-Start all available units that are Black-Start capable, either on orders from CAISO, PG&E-TOC, the WECC Reliability Coordinator to assist in restoration of the California Grid or as needed by the NDC for load restoration within the cities of Alameda or Lodi.

i. In case of a natural gas fuel supply shortage preceding and/or following an emergency under this EAP, the three (3) CT#1 Units can be switched to fuel oil. If the shortage is caused by extreme cold weather NCPA will follow orders issued by our gas supplier and also switch to fuel oil. If the CT#2 Unit (STIG) is curtailed, the CT#1 Units on fuel oil can substitute for the loss in generation from CT#2 Unit. Emissions constraints may limit the operation of the CT#1 Units when switched to fuel oil.

**3.2** NCPA will follow all Emergency Operating Procedures listed above and will take and implement instructions from CAISO, PG&E-TOC and WECC Reliability Coordinators to aid the grid in its restoration efforts.

**3.3** All news media inquiries received by the NDC or other NCPA Staff during abnormal conditions, should be directed to the on site supervisor. To the extent possible, all factual information released to the media will be coordinated with CAISO, and PG&E-TOC, if applicable. If no supervisor is on site then the supervisor most informed of the current system conditions should be contacted, see Emergency Notification Procedure contact list and numbers.

This procedure will be modified as conditions warrant.  
Tracy Bibb, Manager Coordinated System Operations.

**ATTACHMENT "A" = Off-Nominal Frequency Relay Plan**

**ATTACHMENT "B" = Load Shedding Scenarios**

**ATTACHMENT "C" = Relocation of Dispatch Operations**

## Attachment A

### Off-Nominal Frequency Relay Plan

As specified in Section 3.2.2 of this Agreement, the MSSAA Members are individually responsible for compliance with the WECC and NERC Reliability Standards and criteria applicable to the functions for which each MSSAA Member are respectively registered with NERC. At the present time, the MSSAA Members are responsible either individually or in aggregate for complying with the WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Plan (Final Report published November 25, 1997, as revised and amended December 5, 2003), and any subsequent amendments.

## Attachment B Load Shedding Scenarios

		Potential Power System Stress Scenarios				
		1	2	3	4	5
		CAISO Balancing Authority Area Resources $\geq$ Balancing Authority Area Loads (adequate Reserve margin)	CAISO Balancing Authority Spinning Reserve portion of Operating Reserves depletes or is anticipated to drop below the WECC Operating Reserve requirements and cannot be restored; <b>Stage 3 Emergency</b> ; CAISO requests firm load shedding; No concurrent Balancing Authority Area contingencies	A contingency and/or Uncontrollable Force, forces the CAISO Balancing Authority Spinning Reserve Reserves to deplete or to be anticipated to drop below the WECC Operating Reserve requirements and cannot be restored.		
Situation		No AWE	Resources NON-MSS < Load NON-MSS Resources MSS $\geq$ Load MSS	Resources MSS < Load MSS Resources NON-MSS < Load NON-MSS	Resources MSS < Load MSS Resources NON-MSS > Load NON-MSS	Uncontrollable Force, grid frequency impacted (Pre-conditions, normal)
Description		All Load Serving Entities meeting loads with ample resources and Reserves	NON-MSS have insufficient resources to meet loads MSS are meeting loads and their Reserve Requirements	Both MSSs and NON-MSSs have insufficient resources to meet loads	MSS has insufficient resources to meet load NON-MSS have sufficient resources	Flood, earthquake, embargo, war, transmission line down, pipeline explosion, physical loss of generation, etc.
Possible Stress Points		Tracy Xformer, Bay Area, Sacto Valley, Other Local Failure	Stage 3 Emergency Load shed plus column 1*	Stage 3 Emergency	Stage 3 emergency	Balancing Authority Area wide and/or local

NCPA MSS AGGREGATOR AGREEMENT

<p>MSS Response</p>	<p>Affected MSSs shed protocol, contract, or procedure defined load share or as otherwise operationally necessary for localized problems</p>	<p>Load available MSS Reserves as requested by the CAISO*</p>	<p>Load all available Reserves and each UDC and MSS take pro rata load cuts as requested by the CAISO</p>	<p>The CAISO will buy from the Real Time market first, then use all Balancing Authority Reserves down until the Spinning Reserve portion of Operating Reserves depletes or is anticipated to drop below the WECC Operating Reserve requirements and cannot be restored, then shed load of deficient MSSs</p>	<p>MSS and NON-MSS load all available Reserves &amp; take necessary pro-rata load cuts</p>
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\* Load interrupted by a MSS under various CAISO Procedures will be the accumulative obligation amount of all requests and not the summation of them.

## Attachment C

### Relocation of Dispatch Operations

NCPA Disaster Recovery Center  
7664 Old Auburn Road, Citrus Heights, CA 95610

In the unlikely event that the NCPA Dispatch Center (NDC) must be evacuated, the dispatch operations will be conducted from the NCPA Disaster Recovery Center (DRC). The following procedure outlines the steps required to relocate to the DRC with the functionality necessary to continue all real-time operations.

Steps to be completed by the NCPA Dispatcher on duty at the NDC:

1. Collect the following items:
  - a. Current day's preschedules (other days if available)
  - b. RT changes sheet, Turnover sheet, COTP limits and current changes.
  - c. Operations binder
  - d. Hydro/Geo Binders
  - e. Emergency Action Plan binders (NCPA and Hydro project)
  - f. Dispatch cell phone and wall/vehicle chargers (916-849-0532)
  - g. Dispatch key set
2. Forward phones to DRC (see confidential procedure in SC and Dispatch Operations Manual).
3. Proceed to DRC by following directions below

Steps to be completed by the NCPA Scheduling Coordinator on duty at the NDC:

1. Collect the following items
  - a. Current's day's check off sheets (other days if available)
  - b. Red "SC Operations Manual" binder
2. Forward phones to DRC (see confidential procedure in SC and Dispatch Operations Manual).
3. Proceed to DRC (see directions in SC and Dispatch operational binder)

To obtain access to DRC follow directions located in confidential envelope contained within the operations binder.

Steps to be completed by the Dispatcher on duty at the DRC:

1. Notify WAPA, SMUD, APM, CAISO, and PG&E of move to DRC
2. Establish communication with all plants and members (see Emergency Notification List)
3. Continue to load follow based on most recent meter readings available

Steps to be completed by the Scheduling Coordinator on duty at the DRC:

- Notify operations supervisor(s) and support personnel of move to DRC
- Establish communication with the CAISO

Steps to be completed by support personnel at the DRC:

1. Setup and/or maintain all tools necessary to operate the MSS.

## SCHEDULE 12

### LOAD RESTORATION

#### [Section 7.4.4]

NCPA shall follow the procedures set forth below in this Schedule 12 in promoting orderly, coordinated restoration of electric systems after a major system disturbance has occurred which resulted in Underfrequency Load Shedding ("UFLS") in California.

1. Immediately after UFLS has occurred in NCPA's System, NCPA shall remain in contact with CAISO real-time operations and PG&E's Area Control Center (ACC) until normal frequency has been restored throughout the CAISO Balancing Authority Area or the CAISO Shift Supervisor has concluded that such full-time communications can be terminated. Emergency communications over the California ACC Hot-line will be under the direction of the CAISO Shift Supervisor and the senior dispatcher present at the PG&E ACC(s).
2. Manual Load restoration shall not normally be initiated until the California ACC Hot Line is attended. No Load is to be manually restored unless directed by the CAISO, either directly or through its assignee, provided that the procedure for the CAISO's designation of any assignee is agreed to by NCPA, after the frequency has recovered and there is indication that the frequency can be maintained. NCPA shall await direction from the CAISO or its assignee, who will be in contact with the CAISO Shift Supervisor. The CAISO Shift Supervisor shall determine whether adequate generation resources are available on line to support the Load to be restored.
3. If the CAISO cannot meet the WECC and NERC Disturbance Control Standard or the Control Performance Standard or other applicable Reliability Standards post disturbance, no manual Load restoration shall be permitted. If the frequency is such that automatic Load restoration occurs under these conditions, if NCPA has restored Load automatically, it will manually shed an equivalent amount of Load to offset the Load which was automatically restored.
4. Restoration of ties and off-site power Supply to nuclear generating facilities should be given top priority. Manual Load restoration will be deferred during periods of tie restoration. NCPA should be equipped and prepared to drop Load manually when necessary to allow frequency recovery sufficient to re-establish CAISO intra-area ties and Interties between the CAISO Balancing Authority Area and outside systems. Where manual Load Shedding is required, the CAISO shall make reasonable efforts to allocate the Load Shedding requirement equitably among NCPA as the MSS Aggregator, UDCs, and MSS Operators where Load Shedding shall be beneficial, and such Load Shedding shall be made in accordance with Section 7.4.

5. NCPA shall use its existing plans and priorities to restore Load within the parameters given by the CAISO, giving the appropriate priority to essential services such as military, public safety agencies, water treatment plants, sewage treatment plants, etc.

**SCHEDULE 13**
**EXISTING CONTRACTS, ENCUMBRANCES AND TRANSMISSION OWNERSHIP RIGHTS**

[Sections 9.1.1 and 9.2.3]

Existing Contract or Encumbrance	Amount (MW)	Scheduling Timelines	
		To PG&E	To CAISO
South of Tesla Principles (SOTP) between PG&E and TANC (PG&E # 143)	66.639* (51 + 15.639)	30 min prior to the start of the active hour	In accordance with the CAISO Tariff
<b>NCPA System Transmission Ownership Rights in the CAISO Balancing Authority Area at Balancing Authority Area Interties (and Related Contracts)</b>	<b>Amount (MW)</b>	<b>Scheduling Timelines</b>	
			To CAISO
Plumas-Sierra Rural Electric Cooperative Transmission Ownership Rights up to Marble Substation Intertie (as described in the CAISO's Interconnected Control Area Operating Agreement with Sierra Pacific Power Co. for the Marble Substation Intertie)	25**	N/A	30 min prior to the start of the active hour
COTP Terminus (as described in the BANC-CAISO Adjacent Balancing Authority Operating Agreement)	333 North to South* (279 + 54)  253 South to North* (213 + 40)	N/A	30 min prior to the start of the active hour

\*The amount of MSS Members Existing Contracts and Encumbrances, and Transmission Ownership Rights, as reflected in Schedule 13, aggregates the MSSAA Members' and SVP's COTP and SOTP rights. Such COTP and SOTP amounts are subject to interim adjustment in accordance with the Settlement Agreement. Interim adjustments shall not require amendment to this Agreement; provided, however, permanent changes to these amounts will be deemed an amendment to this Agreement and shall be given effect in accordance with the Settlement Agreement. The Agreement COTP Terminus Transmission Ownership Rights amounts are contingent upon the direction of the transaction and the

California Oregon Intertie rating. The SOTP amounts are contingent upon the availability of unused transmission service rights as further described in the Path 15 Operating Instructions (Appendix B, Transmission Control Agreement, as approved in Docket ER99-1770 and as may be amended or superseded).

\*\*The actual transfer capacity of the Marble Intertie is 25 MW, but due to constraints on the Summit Branch Group, the Nomogram (CAISO Procedure: T-154F) limits the actual transfer capacity to equal: 1) Spring (April through May) 15 MW; 2) Summer (June through October) 7 MW; and 3) Winter (November through March) 11.5 MW.

**Note:** Details regarding the agreed upon scheduling provisions for each Existing Contract or Encumbrance are described in the Settlement Agreement.

**SCHEDULE 14****GENERATING UNITS AND MARKET-PARTICIPATING LOADS**

**[Section 3.3.3, 3.3.4, 7.1.1, 7.1.2, 8.2.1, 8.2.2, 10.1, 10.1.1, 10.1.2, and 11.1]**

NCPA has identified in the attached tables all of the individual Generating Units and market-participating Loads that NCPA or the MSSAA Members own or control on NCPA's System, together with certain information required by the CAISO. The individual Generating Units and market-participating Loads that SVP owns or controls within NCPA's System are identified in Schedule 14 of the SVP MSS Agreement, together with certain information required by the CAISO.

**Schedule 14**

**Section 1: Technical Characteristics of Generating Units  
Northern California Power Agency**

Name of Facility (Including Unit Number)	QF (Y/N)	RMR (Y/N)	Name of Generating Unit Owner	CAISO Resource ID	Type of Unit	Primary Fuel Type	Designed Gross (Nameplate) Capacity 1/ (MW)	Limitations (Reference #)
Alameda Gas Turbine #1	N	N	NCPA	ALMEGT_1_UNIT 1	Combustion Turbine	Natural Gas	25.40	THERM2
Alameda Gas Turbine #2	N	N	NCPA	ALMEGT_1_UNIT 2	Combustion Turbine	Natural Gas	25.40	THERM2
Collierville Hydro Aggregate	N	N	NCPA	COLVIL_7_PL1X2	Hydro Aggregate	Water	252.50	HYD1
Collierville Hydro Unit 1	N	N	NCPA		Hydro	Water	126.50	HYD1
Collierville Hydro Unit 2	N	N	NCPA		Hydro	Water	126.00	HYD1
Geothermal Plant 1 Aggregate	N	N	NCPA	NCPA_2_PL11X2	Geothermal Aggregate	Geothermal	110.00	GEO6
Geothermal Plant 1 - Unit 1	N	N	NCPA	NCPA_7_GP1UN1	Geothermal	Geothermal	55.00	GEO1, 6
Geothermal Plant 1 - Unit 2	N	N	NCPA	NCPA_7_GP1UN2	Geothermal Geothermal Aggregate	Geothermal	55.00	GEO2, 6
Geothermal Plant 2 Aggregate	N	N	NCPA	NCPA_2_PL21X2	Geothermal Aggregate	Geothermal	110.00	GEO7
Geothermal Plant 2 - Unit 3	N	N	NCPA	NCPA_7_GP2UN3	Geothermal	Geothermal	55.00	GEO4, 7
Geothermal Plant 2 - Unit 4	N	N	NCPA	NCPA_7_GP2UN4	Geothermal	Geothermal	55.00	GEO5, 7
Graeagle Hydro Project	N	N	Henwood	GRGLHP_6_UNITA1	Hydro			HYD2
Lake Mendocino Hydro Aggregate	N	N	City of Ukiah	UKIAH_7_LAKEMN	Hydro Aggregate	Water	3.50	HYD4
Lake Mendocino Unit 1	N	N	City of Ukiah		Hydro	Water	1.00	
Lake Mendocino Unit 2	N	N	City of Ukiah		Hydro	Water	2.50	
Lodi Gas Turbine	N	N	NCPA	LODI25_2_UNIT 1	Combustion Turbine	Natural Gas	25.40	THERM3



**NCPA MSS AGGREGATOR AGREEMENT**

Lodi Steam Injected Gas Turbine	N	N	NCPA	STIGCT_2_LODI	Combustion Turbine	Natural Gas	51.20	THERM4, 5
Spicer Hydro Aggregate	N	N	NCPA	SPICER_1_UNITS	Hydro Aggregate	Water	6.00	HYD3
Spicer Hydro Unit 1	N	N	NCPA		Hydro	Water	2.80	
Spicer Hydro Unit 2	N	N	NCPA		Hydro	Water	2.80	
Spicer Hydro Unit 3	N	N	NCPA		Hydro	Water	0.50	
Cooperatively Owned Back Up Aggregate				PALALT_7_COBUG				THERM6
Cobug Unit 1	N	N	City of Palo Alto		Combustion Turbine	Natural Gas	1.20	
Cobug Unit 2	N	N	City of Palo Alto		Combustion Turbine	Natural Gas	1.20	
Cobug Unit 3	N	N	City of Palo Alto		Combustion Turbine	Natural Gas	1.20	
Cobug Unit 4	N	N	City of Palo Alto		Combustion Turbine	Natural Gas	1.20	
High Sierra Cogeneration Aggregate	N	N	Plumas Sierra REC	PLMSSR_6_HISIER			6.00	NONE
	N	N	Plumas Sierra REC		Reciprocating Engine	Natural Gas	3.00	
	N	N	Plumas Sierra REC		Reciprocating Engine	Natural Gas	3.00	

1/ Current effective values for purposes of submitting Self-Schedules and Bids for Energy and/or Ancillary Services in CAISO Markets may differ from those set forth in this Schedule 14, depending on the results of CAISO performance testing pursuant to Sections 8.9 and 8.10 of the CAISO Tariff and Appendix K: Ancillary Service Requirements Protocol of the CAISO Tariff. This and other values are subject to certification by the CAISO in accordance with the CAISO Tariff. More detailed Generating Unit operating data must be provided at a time and in a format specified by the CAISO in response to CAISO requests pursuant to CAISO Tariff Sections 4.6.4, 4.6.7.1 and 30.

**Schedule 14**

**Section 2: Limitations - Thermal Units  
Northern California Power Agency**

Reference #	Description of Limitation
THERM1	Deleted
THERM2	<p>For the Alameda Gas Turbine Units, per Permit to Operate (PTO) by Bay Area Air Quality Management district, air emissions permit limits total generation at the Alameda site to 25,800 gross MWh per year. (i.e. Any combination of generation from Alameda Unit 1 and 2 is limited to 25,800 MWh per year). The annual operating hours is limited to a total of 1,015 hours for the project. Each unit has a minimum off time of 15 minutes. However, operating each unit past 400 hours per year could trigger significant capital costs in tests and retrofits, and the economic justification to NCPA is not accounted for in its budget. To the extent that NCPA is required to retrofit or test the facility it could temporarily impact the availability of the units.</p>
THERM3	<p>For the Lodi Gas Turbine unit, air emissions permit limits daily operating hours (See Lodi Limitations tab). Unit is limited to 7 gallons of diesel fuel through the starting engine or approximately 2 starts per day (a failed start counts as a start). Unit has a minimum off time of 15 minutes. Annual operating hours are limited to 200 hours except in a response to a CAISO declared stage 1, 2, 3, or Transmission Emergency provided the unit is in the local transmission area. Declared emergencies are not counted against the 200 hour per year limit. The unit is then limited to 877 hours unless there is an emergency declared by the governor.</p>
THERM4	<p>For the Lodi STIG unit, daily emissions limits are 112 lbs of NOx. At start up, approximately 50 lbs of NOx are emitted over a three to four hour period. After that, the unit emits approximately 3 lbs of NOx per hour at rated capacity. These emissions limits would be reached after 23 hours of operation at the Normal Maximum Operating Limit specified in Section 1 from a single start-up.</p>
THERM5	<p>Lodi STIG 49.9MW net per permit conditions and 1.3MW of parasitic load.</p>
THERM6	<p>Annual operating hours are limited to 10,400 hours. Unit has a minimum off time of 30 minutes.</p>

**Schedule 14****Section 2: Lodi Gas Turbine**  
**Additional Limitations based on Generation Levels**

<b>Gross Generation (MW)</b>	<b>Daily Operating Hours</b>
22.2	11
25	10.7
26	10.3
27	9.9
28	9.5

**SCHEDULE 14**

**Section 2: Limitations - Hydro Units  
Northern California Power Agency**

Reference #	Description of Limitation
HYD1	For Collierville Hydro, FERC license requirements and California State Fish Game requirements govern Hydro facility operations. Reservoir spills at Elevation of 3370 feet. Reservoir minimum operating elevation of 3318 feet (No spilling allowed). Unit trips at reservoir elevation of 3280 feet. Operations at the minimum operating level of 3-5 mw will be determined by cooling water temperatures. At this time the maximum station ramping rate has been determined to be 25MW/minute based on the CCWD water tap. Unit 1 and 2 will be operated as a single unit with a single resource ID.
HYD2	Graeagle Hydro Project is exempted from NCPA scheduling and ISO metering. When it runs, it will have the effect of reducing load within Plumas Sierra MSS.
HYD3	For Spicer Hydro Plant, FERC license requirements and California State Fish Game requirements govern Hydro facility operations. Minimum elevation for 2.75 MW output is 6560 feet. Maximum elevation is 6610 feet. Minimum elevation to operate is 6488 feet. New Spicer ramp rate (maximum) is 14 hours to full load. New Spicer ramp rate (maximum) from full load to minimum load is 16 hours.
HYD4	For Lake Mendocino Hydro, Army Corp of Engineers requirements govern Hydro facility operations. Project ramp rates are dependent upon release requirements and can range from 25 CFS to 1,000 CFS per hour during normal conditions and from 125 CFS to 1,000 CFS per hour during flood conditions. This unit is non-dispatchable by the CAISO because of the water flow requirements

**SCHEDULE 14**

**Section 2: Limitations - Geothermal Units  
Northern California Power Agency**

Reference #	Description of Limitation
GEO1	For Geothermal Plant 1 - Unit 1, Aggregate Geo operations are limited to Confidential Geothermal Operating Plan (see tab)
GEO2	For Geothermal Plant 1 - Unit 2, Aggregate Geo operations are limited to Confidential Geothermal Operating Plan (see tab)
GEO3	Deleted
GEO4	For Geothermal Plant 2 - Unit 3, Aggregate Geo operations are limited to Confidential Geothermal Operating Plan (see tab)
GEO5	For Geothermal Plant 2 - Unit 4, Aggregate Geo operations are limited to Confidential Geothermal Operating Plan (see tab)
GEO6	For Geothermal Plant 1, individual unit ratings for units 1 and 2 are 44 and 42 MW, respectively. When both units are operating, output reduces to 41 and 33 MW, respectively.
GEO7	For Geothermal Plant 2, individual unit ratings for units 3 and 4 are 42.42 and 46.03 MW, respectively. When both units are operating, output reduces to 36 and 33 MW, respectively.
GEO8	Deleted

## SCHEDULE 14

### Section 2: Limitations Northern California Power Agency

#### Geothermal Operating Plan <sup>(4)</sup>

Geothermal Unit	Daily Max <sup>(1)</sup> Operating Cap (MWG)	Daily Min Operating Cap (MWG)	Annual Avg Capacity (MWG)
1	31	31	30
2	28	28	27
4/3	54	35 <sup>(2)</sup>	51
Total	113	94	108 <sup>(3)</sup>

<sup>(1)</sup> Daily Max Generation varies as steam field conditions change

<sup>(2)</sup> Single unit operation at minimum Plant 2 load of 35 MW

<sup>(3)</sup> Annual target range set by changes in plant, steam field, availability factor and market conditions

<sup>(4)</sup> Values indicated are applicable at the time of revision of this MSS Schedule 14. Stated values may vary over time due to natural changes in the steam field conditions that cannot be precisely predicted or forecasted. Values will be revised as necessary upon subsequent revisions to this MSS Schedule 14.

**SCHEDULE 14(a)**
**Load Following System Resources Description**
**[Section 3.3.5, 12.8, 12.9, 12.11, 12.15, 12.17.3, and Schedule 19]**
**System Resources**

NCPA_BLYTHE161_I_F_0001	NCPA_LUGO_I_NF_ET03	NCPA_MOENKOPI500_I_F_ET04	NCPA_TRCYCOTP_I_F_0008
NCPA_BLYTHE161_I_F_0002	NCPA_LUGO_I_NF_ET04	NCPA_MOENKOPI500_I_F_ET05	NCPA_TRCYCOTP_I_F_0009
NCPA_BLYTHE161_I_F_0003	NCPA_LUGO_I_NF_ET05	NCPA_MOENKOPI500_I_NF_0001	NCPA_TRCYCOTP_I_F_0010
NCPA_BLYTHE161_I_F_0004	NCPA_LUGO_I_NF_ET06	NCPA_MOENKOPI500_I_NF_0002	NCPA_TRCYCOTP_I_F_0011
NCPA_BLYTHE161_I_F_0005	NCPA_LUGO_I_NF_ET07	NCPA_MOENKOPI500_I_NF_0003	NCPA_TRCYCOTP_I_F_0012
NCPA_BLYTHE161_I_F_ET01	NCPA_LUGO_I_NF_ET08	NCPA_MOENKOPI500_I_NF_0004	NCPA_TRCYCOTP_I_F_0013
NCPA_BLYTHE161_I_NF_0001	NCPA_LUGO_I_NF_ET09	NCPA_MOENKOPI500_I_NF_0005	NCPA_TRCYCOTP_I_F_0014
NCPA_BLYTHE161_I_NF_0002	NCPA_LUGO_I_NF_ET10	NCPA_MOENKOPI500_I_NF_ET01	NCPA_TRCYCOTP_I_F_0015
NCPA_BLYTHE161_I_NF_ET01	NCPA_LUGO_I_UC_0001	NCPA_MOENKOPI500_I_NF_ET02	NCPA_TRCYCOTP_I_F_CO01
NCPA_BLYTHE161_I_UC_0001	NCPA_LUGO_I_UC_0002	NCPA_MOENKOPI500_I_NF_ET03	NCPA_TRCYCOTP_I_F_CO02
NCPA_BLYTHE161_I_UC_ET01	NCPA_LUGO_I_UC_0003	NCPA_MOENKOPI500_I_NF_ET04	NCPA_TRCYCOTP_I_F_CO03
NCPA_CFEROA_I_F_0001	NCPA_LUGO_I_UC_0004	NCPA_MOENKOPI500_I_NF_ET05	NCPA_TRCYCOTP_I_F_CO04
NCPA_CFEROA_I_F_0002	NCPA_LUGO_I_UC_0005	NCPA_MOENKOPI500_I_UC_0001	NCPA_TRCYCOTP_I_F_CO05
NCPA_CFEROA_I_F_0003	NCPA_LUGO_I_UC_ET01	NCPA_MOENKOPI500_I_UC_0002	NCPA_TRCYCOTP_I_F_CO06
NCPA_CFEROA_I_F_0004	NCPA_LUGO_I_UC_ET02	NCPA_MOENKOPI500_I_UC_0003	NCPA_TRCYCOTP_I_F_CO07
NCPA_CFEROA_I_F_0005	NCPA_LUGO_I_UC_ET03	NCPA_MOENKOPI500_I_UC_0004	NCPA_TRCYCOTP_I_F_CO08
NCPA_CFEROA_I_F_ET01	NCPA_LUGO_I_UC_ET04	NCPA_MOENKOPI500_I_UC_0005	NCPA_TRCYCOTP_I_F_CO09
NCPA_CFEROA_I_NF_0001	NCPA_LUGO_I_UC_ET05	NCPA_MOENKOPI500_I_UC_ET01	NCPA_TRCYCOTP_I_F_CO10
NCPA_CFEROA_I_NF_0002	NCPA_LUGO_I_UC_ET06	NCPA_MOENKOPI500_I_UC_ET02	NCPA_TRCYCOTP_I_F_CO11
NCPA_CFEROA_I_NF_ET01	NCPA_LUGO_I_UC_ET07	NCPA_MOENKOPI500_I_UC_ET03	NCPA_TRCYCOTP_I_F_CO12
NCPA_CFEROA_I_UC_0001	NCPA_LUGO_I_UC_ET08	NCPA_MOENKOPI500_I_UC_ET04	NCPA_TRCYCOTP_I_F_CO13
NCPA_CFEROA_I_UC_ET01	NCPA_LUGO_I_UC_ET09	NCPA_MOENKOPI500_I_UC_ET05	NCPA_TRCYCOTP_I_F_CO14
NCPA_CFETIJ_I_F_0001	NCPA_LUGO_I_UC_ET10	NCPA_MOHAVE500_I_F_0001	NCPA_TRCYCOTP_I_F_CO15
NCPA_CFETIJ_I_F_0002	NCPA_MALIN500_I_F_0001	NCPA_MOHAVE500_I_F_0002	NCPA_TRCYCOTP_I_F_CO16
NCPA_CFETIJ_I_F_0003	NCPA_MALIN500_I_F_0002	NCPA_MOHAVE500_I_F_0003	NCPA_TRCYCOTP_I_F_CO17
NCPA_CFETIJ_I_F_0004	NCPA_MALIN500_I_F_0003	NCPA_MOHAVE500_I_F_0004	NCPA_TRCYCOTP_I_F_CO18
NCPA_CFETIJ_I_F_0005	NCPA_MALIN500_I_F_0004	NCPA_MOHAVE500_I_F_0005	NCPA_TRCYCOTP_I_F_CO19
NCPA_CFETIJ_I_F_ET01	NCPA_MALIN500_I_F_0005	NCPA_MOHAVE500_I_F_ET01	NCPA_TRCYCOTP_I_F_CO20
NCPA_CFETIJ_I_NF_0001	NCPA_MALIN500_I_F_0006	NCPA_MOHAVE500_I_NF_0001	NCPA_TRCYCOTP_I_F_CO21
NCPA_CFETIJ_I_NF_0002	NCPA_MALIN500_I_F_0007	NCPA_MOHAVE500_I_NF_0002	NCPA_TRCYCOTP_I_F_CO22
NCPA_CFETIJ_I_NF_ET01	NCPA_MALIN500_I_F_0008	NCPA_MOHAVE500_I_NF_ET01	NCPA_TRCYCOTP_I_F_CO23
NCPA_CFETIJ_I_UC_0001	NCPA_MALIN500_I_F_0009	NCPA_MOHAVE500_I_UC_0001	NCPA_TRCYCOTP_I_F_CO24

NCPA_CFETIJ_I_UC_ET01	NCPA_MALIN500_I_F_0010	NCPA_MOHAVE500_I_UC_ET01	NCPA_TRCYCOTP_I_F_CO25
NCPA_CRAG_I_F_0001	NCPA_MALIN500_I_F_0011	NCPA_MOHAVE69_I_F_0001	NCPA_TRCYCOTP_I_F_CO26
NCPA_CRAG_I_F_0002	NCPA_MALIN500_I_F_0012	NCPA_MOHAVE69_I_F_0002	NCPA_TRCYCOTP_I_F_CO27
NCPA_CRAG_I_F_0003	NCPA_MALIN500_I_F_0013	NCPA_MOHAVE69_I_F_0003	NCPA_TRCYCOTP_I_F_CO28
NCPA_CRAG_I_F_0004	NCPA_MALIN500_I_F_0014	NCPA_MOHAVE69_I_F_ET01	NCPA_TRCYCOTP_I_F_CO29
NCPA_CRAG_I_F_0005	NCPA_MALIN500_I_F_0015	NCPA_MOHAVE69_I_NF_0001	NCPA_TRCYCOTP_I_F_CO30
NCPA_CRAG_I_NF_0001	NCPA_MALIN500_I_NF_0001	NCPA_MOHAVE69_I_NF_0002	NCPA_TRCYCOTP_I_F_ET01
NCPA_CRAG_I_NF_0002	NCPA_MALIN500_I_NF_0002	NCPA_MOHAVE69_I_NF_ET01	NCPA_TRCYCOTP_I_F_ET02
NCPA_CRAG_I_UC_0001	NCPA_MALIN500_I_NF_0003	NCPA_MOHAVE69_I_UC_0001	NCPA_TRCYCOTP_I_F_ET03
NCPA_CTW230_I_F_0001	NCPA_MALIN500_I_NF_0004	NCPA_MOHAVE69_I_UC_ET01	NCPA_TRCYCOTP_I_F_ET04
NCPA_CTW230_I_F_0002	NCPA_MALIN500_I_NF_0005	NCPA_NML230_I_F_0001	NCPA_TRCYCOTP_I_F_ET05
NCPA_CTW230_I_F_0003	NCPA_MALIN500_I_NF_0006	NCPA_NML230_I_F_0002	NCPA_TRCYCOTP_I_F_ET06
NCPA_CTW230_I_F_0004	NCPA_MALIN500_I_NF_0007	NCPA_NML230_I_F_0003	NCPA_TRCYCOTP_I_F_ET07
NCPA_CTW230_I_F_0005	NCPA_MALIN500_I_NF_0008	NCPA_NML230_I_NF_0001	NCPA_TRCYCOTP_I_F_ET08
NCPA_CTW230_I_F_0006	NCPA_MALIN500_I_NF_0009	NCPA_NML230_I_NF_0002	NCPA_TRCYCOTP_I_F_ET09
NCPA_CTW230_I_F_0007	NCPA_MALIN500_I_NF_0010	NCPA_NML230_I_UC_0001	NCPA_TRCYCOTP_I_F_ET10
NCPA_CTW230_I_F_0008	NCPA_MALIN500_I_UC_0001	NCPA_NOB_I_F_0001	NCPA_TRCYCOTP_I_NF_0001
NCPA_CTW230_I_F_0009	NCPA_MARBLE60_I_F_0001	NCPA_NOB_I_F_0002	NCPA_TRCYCOTP_I_NF_0002
NCPA_CTW230_I_F_0010	NCPA_MARBLE60_I_F_0002	NCPA_NOB_I_F_0003	NCPA_TRCYCOTP_I_NF_0003
NCPA_CTW230_I_F_0011	NCPA_MARBLE60_I_F_0003	NCPA_NOB_I_F_0004	NCPA_TRCYCOTP_I_NF_0004
NCPA_CTW230_I_F_0012	NCPA_MARBLE60_I_F_TO01	NCPA_NOB_I_F_0005	NCPA_TRCYCOTP_I_NF_0005
NCPA_CTW230_I_F_0013	NCPA_MARBLE60_I_F_TO02	NCPA_NOB_I_F_0006	NCPA_TRCYCOTP_I_NF_CO01
NCPA_CTW230_I_F_0014	NCPA_MARBLE60_I_F_TO03	NCPA_NOB_I_F_0007	NCPA_TRCYCOTP_I_NF_CO02
NCPA_CTW230_I_F_0015	NCPA_MARBLE60_I_NF_0001	NCPA_NOB_I_F_0008	NCPA_TRCYCOTP_I_NF_CO03
NCPA_CTW230_I_NF_0001	NCPA_MARBLE60_I_NF_0002	NCPA_NOB_I_F_0009	NCPA_TRCYCOTP_I_NF_CO04
NCPA_CTW230_I_NF_0002	NCPA_MARBLE60_I_NF_0003	NCPA_NOB_I_F_0010	NCPA_TRCYCOTP_I_NF_CO05
NCPA_CTW230_I_NF_0003	NCPA_MARBLE60_I_NF_TO01	NCPA_NOB_I_F_ET01	NCPA_TRCYCOTP_I_NF_CO06
NCPA_CTW230_I_NF_0004	NCPA_MARBLE60_I_NF_TO02	NCPA_NOB_I_NF_0001	NCPA_TRCYCOTP_I_NF_CO07
NCPA_CTW230_I_NF_0005	NCPA_MARBLE60_I_NF_TO03	NCPA_NOB_I_NF_0002	NCPA_TRCYCOTP_I_NF_CO08
NCPA_CTW230_I_NF_0006	NCPA_MARBLE60_I_UC_0001	NCPA_NOB_I_NF_0003	NCPA_TRCYCOTP_I_NF_CO09
NCPA_CTW230_I_NF_0007	NCPA_MARBLE60_I_UC_0002	NCPA_NOB_I_NF_0004	NCPA_TRCYCOTP_I_NF_CO10
NCPA_CTW230_I_NF_0008	NCPA_MARBLE60_I_UC_TO01	NCPA_NOB_I_NF_0005	NCPA_TRCYCOTP_I_NF_ET01
NCPA_CTW230_I_NF_0009	NCPA_MARBLE60_I_UC_TO02	NCPA_NOB_I_NF_ET01	NCPA_TRCYCOTP_I_NF_ET02
NCPA_CTW230_I_NF_0010	NCPA_MARKETPLACE_I_F_0001	NCPA_NOB_I_UC_0001	NCPA_TRCYCOTP_I_NF_ET03
NCPA_CTW230_I_UC_0001	NCPA_MARKETPLACE_I_F_0002	NCPA_NOB_I_UC_ET01	NCPA_TRCYCOTP_I_NF_ET04
NCPA_DEVERS230_I_F_0001	NCPA_MARKETPLACE_I_F_0003	NCPA_NORTHGILA69_I_F_0001	NCPA_TRCYCOTP_I_NF_ET05
NCPA_DEVERS230_I_F_0002	NCPA_MARKETPLACE_I_F_0004	NCPA_NORTHGILA69_I_F_0002	NCPA_TRCYCOTP_I_UC_0001
NCPA_DEVERS230_I_F_0003	NCPA_MARKETPLACE_I_F_0005	NCPA_NORTHGILA69_I_F_0003	NCPA_TRCYCOTP_I_UC_0002
NCPA_DEVERS230_I_F_0004	NCPA_MARKETPLACE_I_F_0006	NCPA_NORTHGILA69_I_F_0004	NCPA_TRCYCOTP_I_UC_CO01
NCPA_DEVERS230_I_F_0005	NCPA_MARKETPLACE_I_F_0007	NCPA_NORTHGILA69_I_F_0005	NCPA_TRCYCOTP_I_UC_CO02
NCPA_DEVERS230_I_F_ET01	NCPA_MARKETPLACE_I_F_0008	NCPA_NORTHGILA69_I_F_ET01	NCPA_TRCYCOTP_I_UC_ET01

NCPA_DEVERS230_I_NF_0001	NCPA_MARKETPLACE_I_F_0009	NCPA_NORTHGILA69_I_NF_0001	NCPA_TRCYPGAE_I_F_0001
NCPA_DEVERS230_I_NF_0002	NCPA_MARKETPLACE_I_F_0010	NCPA_NORTHGILA69_I_NF_0002	NCPA_TRCYPGAE_I_F_0002
NCPA_DEVERS230_I_NF_ET01	NCPA_MARKETPLACE_I_F_ET01	NCPA_NORTHGILA69_I_NF_ET01	NCPA_TRCYPGAE_I_F_0003
NCPA_DEVERS230_I_UC_0001	NCPA_MARKETPLACE_I_F_ET02	NCPA_NORTHGILA69_I_UC_0001	NCPA_TRCYPGAE_I_F_0004
NCPA_DEVERS230_I_UC_ET01	NCPA_MARKETPLACE_I_F_ET03	NCPA_NORTHGILA69_I_UC_ET01	NCPA_TRCYPGAE_I_F_0005
NCPA_ELDORADO230_I_F_0001	NCPA_MARKETPLACE_I_F_ET04	NCPA_OAKDALE_I_F_0001	NCPA_TRCYPGAE_I_F_0006
NCPA_ELDORADO230_I_F_0002	NCPA_MARKETPLACE_I_F_ET05	NCPA_OAKDALE_I_F_0002	NCPA_TRCYPGAE_I_F_0007
NCPA_ELDORADO230_I_F_0003	NCPA_MARKETPLACE_I_NF_0001	NCPA_OAKDALE_I_F_0003	NCPA_TRCYPGAE_I_F_0008
NCPA_ELDORADO230_I_F_0004	NCPA_MARKETPLACE_I_NF_0002	NCPA_OAKDALE_I_F_0004	NCPA_TRCYPGAE_I_F_0009
NCPA_ELDORADO230_I_F_0005	NCPA_MARKETPLACE_I_NF_0003	NCPA_OAKDALE_I_F_0005	NCPA_TRCYPGAE_I_F_0010
NCPA_ELDORADO230_I_F_ET01	NCPA_MARKETPLACE_I_NF_0004	NCPA_OAKDALE_I_NF_0001	NCPA_TRCYPGAE_I_F_0011
NCPA_ELDORADO230_I_NF_0001	NCPA_MARKETPLACE_I_NF_0005	NCPA_OAKDALE_I_NF_0002	NCPA_TRCYPGAE_I_F_0012
NCPA_ELDORADO230_I_NF_0002	NCPA_MARKETPLACE_I_NF_ET01	NCPA_OAKDALE_I_UC_0001	NCPA_TRCYPGAE_I_F_0013
NCPA_ELDORADO230_I_NF_ET01	NCPA_MARKETPLACE_I_NF_ET02	NCPA_PARKER230_I_F_0001	NCPA_TRCYPGAE_I_F_0014
NCPA_ELDORADO230_I_UC_0001	NCPA_MARKETPLACE_I_NF_ET03	NCPA_PARKER230_I_F_0002	NCPA_TRCYPGAE_I_F_0015
NCPA_ELDORADO230_I_UC_ET01	NCPA_MARKETPLACE_I_NF_ET04	NCPA_PARKER230_I_F_0003	NCPA_TRCYPGAE_I_F_0016
NCPA_ELDORADO500_I_F_0001	NCPA_MARKETPLACE_I_NF_ET05	NCPA_PARKER230_I_F_0004	NCPA_TRCYPGAE_I_F_0017
NCPA_ELDORADO500_I_F_0002	NCPA_MARKETPLACE_I_UC_0001	NCPA_PARKER230_I_F_0005	NCPA_TRCYPGAE_I_F_0018
NCPA_ELDORADO500_I_F_0003	NCPA_MARKETPLACE_I_UC_ET01	NCPA_PARKER230_I_F_ET01	NCPA_TRCYPGAE_I_F_0019
NCPA_ELDORADO500_I_F_0004	NCPA_MCCULLOUG500_I_F_0001	NCPA_PARKER230_I_NF_0001	NCPA_TRCYPGAE_I_F_0020
NCPA_ELDORADO500_I_F_0005	NCPA_MCCULLOUG500_I_F_0002	NCPA_PARKER230_I_NF_0002	NCPA_TRCYPGAE_I_F_0021
NCPA_ELDORADO500_I_F_0006	NCPA_MCCULLOUG500_I_F_0003	NCPA_PARKER230_I_NF_ET01	NCPA_TRCYPGAE_I_F_0022
NCPA_ELDORADO500_I_F_0007	NCPA_MCCULLOUG500_I_F_0004	NCPA_PARKER230_I_UC_0001	NCPA_TRCYPGAE_I_F_0023
NCPA_ELDORADO500_I_F_0008	NCPA_MCCULLOUG500_I_F_0005	NCPA_PARKER230_I_UC_ET01	NCPA_TRCYPGAE_I_F_0024
NCPA_ELDORADO500_I_F_0009	NCPA_MCCULLOUG500_I_F_0006	NCPA_PVWEST_I_F_0001	NCPA_TRCYPGAE_I_F_0025
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NCPA_ELDORADO500_I_F_ET01	NCPA_MCCULLOUG500_I_F_0008	NCPA_PVWEST_I_F_0003	NCPA_TRCYPGAE_I_F_0027
NCPA_ELDORADO500_I_F_ET02	NCPA_MCCULLOUG500_I_F_0009	NCPA_PVWEST_I_F_0004	NCPA_TRCYPGAE_I_F_0028
NCPA_ELDORADO500_I_F_ET03	NCPA_MCCULLOUG500_I_F_0010	NCPA_PVWEST_I_F_0005	NCPA_TRCYPGAE_I_F_0029
NCPA_ELDORADO500_I_F_ET04	NCPA_MCCULLOUG500_I_F_ET01	NCPA_PVWEST_I_F_0006	NCPA_TRCYPGAE_I_F_0030
NCPA_ELDORADO500_I_F_ET05	NCPA_MCCULLOUG500_I_F_ET02	NCPA_PVWEST_I_F_0007	NCPA_TRCYPGAE_I_F_BR01
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NCPA_ELDORADO500_I_NF_0002	NCPA_MCCULLOUG500_I_F_ET04	NCPA_PVWEST_I_F_0009	NCPA_TRCYPGAE_I_F_BR03
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NCPA_ELDORADO500_I_NF_0005	NCPA_MCCULLOUG500_I_NF_0002	NCPA_PVWEST_I_F_ET02	NCPA_TRCYPGAE_I_F_BR06
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NCPA_ELDORADO500_I_NF_ET03	NCPA_MCCULLOUG500_I_NF_0005	NCPA_PVWEST_I_F_ET05	NCPA_TRCYPGAE_I_F_BR09
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NCPA_ELDORADO500_I_NF_ET05	NCPA_MCCULLOUG500_I_NF_ET02	NCPA_PVWEST_I_NF_0002	NCPA_TRCYPGAE_I_F_BR11

NCPA_ELDORADO500_I_UC_0001	NCPA_MCCULLOUG500_I_NF_ET03	NCPA_PVWEST_I_NF_0003	NCPA_TRCYPGAE_I_F_BR12
NCPA_ELDORADO500_I_UC_ET01	NCPA_MCCULLOUG500_I_NF_ET04	NCPA_PVWEST_I_NF_0004	NCPA_TRCYPGAE_I_F_BR13
NCPA_FOURCORNE345_I_F_0001	NCPA_MCCULLOUG500_I_NF_ET05	NCPA_PVWEST_I_NF_0005	NCPA_TRCYPGAE_I_F_BR14
NCPA_FOURCORNE345_I_F_0002	NCPA_MCCULLOUG500_I_UC_0001	NCPA_PVWEST_I_NF_ET01	NCPA_TRCYPGAE_I_F_BR15
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NCPA_FOURCORNE345_I_F_ET01	NCPA_MDWP_I_F_0003	NCPA_PVWEST_I_NF_ET05	NCPA_TRCYPGAE_I_F_BR19
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NCPA_FOURCORNE345_I_NF_ET01	NCPA_MDWP_I_F_ET01	NCPA_PVWEST_I_UC_0003	NCPA_TRCYPGAE_I_F_BR22
NCPA_FOURCORNE345_I_UC_0001	NCPA_MDWP_I_NF_0001	NCPA_PVWEST_I_UC_0004	NCPA_TRCYPGAE_I_F_BR23
NCPA_FOURCORNE345_I_UC_ET01	NCPA_MDWP_I_NF_0002	NCPA_PVWEST_I_UC_0005	NCPA_TRCYPGAE_I_F_BR24
NCPA_GONIPP_I_F_0001	NCPA_MDWP_I_NF_ET01	NCPA_PVWEST_I_UC_ET01	NCPA_TRCYPGAE_I_F_BR25
NCPA_GONIPP_I_F_0002	NCPA_MDWP_I_UC_0001	NCPA_PVWEST_I_UC_ET02	NCPA_TRCYPGAE_I_F_BR26
NCPA_GONIPP_I_F_0003	NCPA_MDWP_I_UC_ET01	NCPA_PVWEST_I_UC_ET03	NCPA_TRCYPGAE_I_F_BR27
NCPA_GONIPP_I_F_0004	NCPA_MEAD230_I_F_0001	NCPA_PVWEST_I_UC_ET04	NCPA_TRCYPGAE_I_F_BR28
NCPA_GONIPP_I_F_0005	NCPA_MEAD230_I_F_0002	NCPA_PVWEST_I_UC_ET05	NCPA_TRCYPGAE_I_F_BR29
NCPA_GONIPP_I_F_0006	NCPA_MEAD230_I_F_0003	NCPA_RANCHOSECO_I_F_0001	NCPA_TRCYPGAE_I_F_BR30
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NCPA_GONIPP_I_F_0008	NCPA_MEAD230_I_F_0005	NCPA_RANCHOSECO_I_F_0003	NCPA_TRCYPGAE_I_F_ET02
NCPA_GONIPP_I_F_0009	NCPA_MEAD230_I_F_0006	NCPA_RANCHOSECO_I_F_0004	NCPA_TRCYPGAE_I_F_ET03
NCPA_GONIPP_I_F_0010	NCPA_MEAD230_I_F_0007	NCPA_RANCHOSECO_I_F_0005	NCPA_TRCYPGAE_I_F_ET04
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NCPA_GONIPP_I_NF_0003	NCPA_MEAD230_I_F_ET01	NCPA_RDM230_I_F_0001	NCPA_TRCYPGAE_I_F_ET08
NCPA_GONIPP_I_NF_0004	NCPA_MEAD230_I_NF_0001	NCPA_RDM230_I_F_0002	NCPA_TRCYPGAE_I_F_ET09
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NCPA_GONIPP_I_UC_0001	NCPA_MEAD230_I_NF_0004	NCPA_RDM230_I_F_0005	NCPA_TRCYPGAE_I_NF_0002
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NCPA_IPP_I_F_0001	NCPA_MEAD230_I_NF_ET01	NCPA_RDM230_I_NF_0002	NCPA_TRCYPGAE_I_NF_0004
NCPA_IPP_I_F_0002	NCPA_MEAD230_I_UC_0001	NCPA_RDM230_I_UC_0001	NCPA_TRCYPGAE_I_NF_0005
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NCPA_IPP_I_F_0004	NCPA_MEAD2MSCHD_I_F_0001	NCPA_SILVERPEAK55_I_F_0002	NCPA_TRCYPGAE_I_NF_BR02
NCPA_IPP_I_F_0005	NCPA_MEAD2MSCHD_I_F_0002	NCPA_SILVERPEAK55_I_F_0003	NCPA_TRCYPGAE_I_NF_BR03
NCPA_IPP_I_F_0006	NCPA_MEAD2MSCHD_I_F_0003	NCPA_SILVERPEAK55_I_F_0004	NCPA_TRCYPGAE_I_NF_BR04
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NCPA_IPP_I_F_0008	NCPA_MEAD2MSCHD_I_F_0005	NCPA_SILVERPEAK55_I_F_ET01	NCPA_TRCYPGAE_I_NF_BR06
NCPA_IPP_I_F_0009	NCPA_MEAD2MSCHD_I_F_0006	NCPA_SILVERPEAK55_I_NF_0001	NCPA_TRCYPGAE_I_NF_BR07

NCPA_IPP_I_F_0010	NCPA_MEAD2MSCHD_I_F_0007	NCPA_SILVERPEAK55_I_NF_0002	NCPA_TRCYPGAE_I_NF_BR08
NCPA_IPP_I_F_ET01	NCPA_MEAD2MSCHD_I_F_0008	NCPA_SILVERPEAK55_I_NF_ET01	NCPA_TRCYPGAE_I_NF_ET01
NCPA_IPP_I_NF_0001	NCPA_MEAD2MSCHD_I_F_0009	NCPA_SILVERPEAK55_I_UC_0001	NCPA_TRCYPGAE_I_NF_ET02
NCPA_IPP_I_NF_0002	NCPA_MEAD2MSCHD_I_F_0010	NCPA_SILVERPEAK55_I_UC_ET01	NCPA_TRCYPGAE_I_NF_ET03
NCPA_IPP_I_NF_0003	NCPA_MEAD2MSCHD_I_F_ET01	NCPA_STANDIFORD_I_F_0001	NCPA_TRCYPGAE_I_NF_ET04
NCPA_IPP_I_NF_0004	NCPA_MEAD2MSCHD_I_NF_0001	NCPA_STANDIFORD_I_F_0002	NCPA_TRCYPGAE_I_NF_ET05
NCPA_IPP_I_NF_0005	NCPA_MEAD2MSCHD_I_NF_0002	NCPA_STANDIFORD_I_F_0003	NCPA_TRCYPGAE_I_NF_ET06
NCPA_IPP_I_NF_ET01	NCPA_MEAD2MSCHD_I_NF_0003	NCPA_STANDIFORD_I_F_0004	NCPA_TRCYPGAE_I_NF_ET07
NCPA_IPP_I_UC_0001	NCPA_MEAD2MSCHD_I_NF_0004	NCPA_STANDIFORD_I_F_0005	NCPA_TRCYPGAE_I_NF_ET08
NCPA_IPP_I_UC_ET01	NCPA_MEAD2MSCHD_I_NF_0005	NCPA_STANDIFORD_I_NF_0001	NCPA_TRCYPGAE_I_NF_ET09
NCPA_IVLY2_I_F_0001	NCPA_MEAD2MSCHD_I_NF_ET01	NCPA_STANDIFORD_I_NF_0002	NCPA_TRCYPGAE_I_NF_ET10
NCPA_IVLY2_I_F_0002	NCPA_MEAD2MSCHD_I_UC_0001	NCPA_STANDIFORD_I_UC_0001	NCPA_TRCYPGAE_I_UC_0001
NCPA_IVLY2_I_F_0003	NCPA_MEAD2MSCHD_I_UC_ET01	NCPA_SUMMIT120_I_F_0001	NCPA_TRCYPGAE_I_UC_0002
NCPA_IVLY2_I_F_0004	NCPA_MEAD5MSCHD_I_F_0001	NCPA_SUMMIT120_I_F_0002	NCPA_TRCYPGAE_I_UC_BR01
NCPA_IVLY2_I_F_0005	NCPA_MEAD5MSCHD_I_F_0002	NCPA_SUMMIT120_I_F_0003	NCPA_TRCYPGAE_I_UC_BR02
NCPA_IVLY2_I_F_ET01	NCPA_MEAD5MSCHD_I_F_0003	NCPA_SUMMIT120_I_F_0004	NCPA_TRCYPGAE_I_UC_BR03
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NCPA_IVLY2_I_NF_0002	NCPA_MEAD5MSCHD_I_F_0005	NCPA_SUMMIT120_I_NF_0001	NCPA_TRCYPGAE_I_UC_ET02
NCPA_IVLY2_I_NF_ET01	NCPA_MEAD5MSCHD_I_F_0006	NCPA_SUMMIT120_I_NF_0002	NCPA_WESTLYLBSN_I_F_0001
NCPA_IVLY2_I_UC_0001	NCPA_MEAD5MSCHD_I_F_0007	NCPA_SUMMIT120_I_UC_0001	NCPA_WESTLYLBSN_I_F_0002
NCPA_IVLY2_I_UC_ET01	NCPA_MEAD5MSCHD_I_F_0008	NCPA_SUMMIT120_I_UC_0002	NCPA_WESTLYLBSN_I_F_0003
NCPA_LAKE_I_F_0001	NCPA_MEAD5MSCHD_I_F_0009	NCPA_SYLMAR_I_F_0001	NCPA_WESTLYLBSN_I_F_0004
NCPA_LAKE_I_F_0002	NCPA_MEAD5MSCHD_I_F_0010	NCPA_SYLMAR_I_F_0002	NCPA_WESTLYLBSN_I_F_0005
NCPA_LAKE_I_F_0003	NCPA_MEAD5MSCHD_I_F_ET01	NCPA_SYLMAR_I_F_0003	NCPA_WESTLYLBSN_I_NF_0001
NCPA_LAKE_I_F_0004	NCPA_MEAD5MSCHD_I_NF_0001	NCPA_SYLMAR_I_F_0004	NCPA_WESTLYLBSN_I_NF_0002
NCPA_LAKE_I_F_0005	NCPA_MEAD5MSCHD_I_NF_0002	NCPA_SYLMAR_I_F_0005	NCPA_WESTLYLBSN_I_UC_0001
NCPA_LAKE_I_NF_0001	NCPA_MEAD5MSCHD_I_NF_0003	NCPA_SYLMAR_I_F_ET01	NCPA_WESTLYTSLA_I_F_0001
NCPA_LAKE_I_NF_0002	NCPA_MEAD5MSCHD_I_NF_0004	NCPA_SYLMAR_I_NF_0001	NCPA_WESTLYTSLA_I_F_0002
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NCPA_LLL115_I_F_0003	NCPA_MEAD5MSCHD_I_UC_ET01	NCPA_SYLMAR_I_UC_ET01	NCPA_WESTLYTSLA_I_NF_0001
NCPA_LLL115_I_F_0004	NCPA_MIR2_I_F_0001	NCPA_TESLA230_I_F_0001	NCPA_WESTLYTSLA_I_NF_0002
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NCPA_LUGO_I_F_0003	NCPA_MIR2_I_F_0008	NCPA_TESLA230_I_F_0008	NCPA_WESTWING500_I_F_ET01
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NCPA_LUGO_I_F_0005	NCPA_MIR2_I_F_0010	NCPA_TESLA230_I_F_0010	NCPA_WESTWING500_I_F_ET03
NCPA_LUGO_I_F_0006	NCPA_MIR2_I_F_ET01	NCPA_TESLA230_I_NF_0001	NCPA_WESTWING500_I_F_ET04
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NCPA_LUGO_I_F_0010	NCPA_MIR2_I_NF_0004	NCPA_TESLA230_I_NF_0005	NCPA_WESTWING500_I_NF_ET01
NCPA_LUGO_I_F_ET01	NCPA_MIR2_I_NF_0005	NCPA_TESLA230_I_UC_0001	NCPA_WESTWING500_I_NF_ET02
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NCPA_LUGO_I_F_ET08	NCPA_MOENKOPI500_I_F_0004	NCPA_TRCYCOTPISO_I_NF_0001	NCPA_WESTWING500_I_UC_0004
NCPA_LUGO_I_F_ET09	NCPA_MOENKOPI500_I_F_0005	NCPA_TRCYCOTPISO_I_NF_0002	NCPA_WESTWING500_I_UC_0005
NCPA_LUGO_I_F_ET10	NCPA_MOENKOPI500_I_F_0006	NCPA_TRCYCOTPISO_I_UC_0001	NCPA_WESTWING500_I_UC_ET01
NCPA_LUGO_I_NF_0001	NCPA_MOENKOPI500_I_F_0007	NCPA_TRCYCOTP_I_F_0001	NCPA_WESTWING500_I_UC_ET02
NCPA_LUGO_I_NF_0002	NCPA_MOENKOPI500_I_F_0008	NCPA_TRCYCOTP_I_F_0002	NCPA_WESTWING500_I_UC_ET03
NCPA_LUGO_I_NF_0003	NCPA_MOENKOPI500_I_F_0009	NCPA_TRCYCOTP_I_F_0003	NCPA_WESTWING500_I_UC_ET04
NCPA_LUGO_I_NF_0004	NCPA_MOENKOPI500_I_F_0010	NCPA_TRCYCOTP_I_F_0004	NCPA_WESTWING500_I_UC_ET05
NCPA_LUGO_I_NF_0005	NCPA_MOENKOPI500_I_F_ET01	NCPA_TRCYCOTP_I_F_0005	
NCPA_LUGO_I_NF_ET01	NCPA_MOENKOPI500_I_F_ET02	NCPA_TRCYCOTP_I_F_0006	
NCPA_LUGO_I_NF_ET02	NCPA_MOENKOPI500_I_F_ET03	NCPA_TRCYCOTP_I_F_0007	

### **Resource Specific System Resources**

Reserved for Resource Specific System Resources

## SCHEDULE 15 METERING OBLIGATIONS

[Section 11.2 and 11.3]

### Obligations and Rights of NCPA

- 1.0 Submission of Meter Data through the CAISO's Settlement Quality Meter Data Systems ("SQMDS") and Revenue Meter Data Acquisition and Processing System ("RMDAPS").** NCPA agrees to make available to the CAISO through SQMDS and RMDAPS, or the successor system, its Meter Data in accordance with the CAISO Tariff. The CAISO's requirements regarding the frequency with which it requires Meter Data to be made available to it through RMDAPS and SQMDS by NCPA are referred to in the CAISO Tariff and the Business Practice Manual for Metering.
- 1.1 Meter Information.** NCPA shall provide in the format prescribed by Schedule 15.1 the required information with respect to all of its meters used to provide Meter Data to the CAISO. NCPA must immediately notify the CAISO of any changes to the information provided to the CAISO in accordance with this Section and provide the CAISO with any information in relation to such change as reasonably requested by the CAISO. NCPA shall have the right to modify Schedule 15.1, although such modification shall not constitute an amendment to this Agreement.
- 1.2 Transformer and Line Loss Correction Factor.** If NCPA uses low voltage side metering, it shall use the CAISO approved Transformer and Line Loss Correction Factor referred to in the CAISO Tariff and the Business Practice Manual for Metering.
- 1.3 Rights to Access Metering Facilities.** NCPA shall use its best efforts to procure any rights necessary for the CAISO to access all Metering Facilities of MSS Members to fulfill its obligations under the CAISO Tariff, and its obligations under this Agreement. If, after using its best efforts, NCPA is unable to provide the CAISO with such access rights, NCPA shall ensure that one of its employees is an CAISO Authorized Inspector and such employee undertakes, at the CAISO's request, the certification, testing, inspection and/or auditing of those Metering Facilities in accordance with the procedures established pursuant to the CAISO Tariff and the Business Practice Manual for Metering, including the requirement to complete and provide to the CAISO all necessary documentation. The CAISO acknowledges that it will not be prevented from fulfilling its obligations under the CAISO Tariff or this Agreement by reason of the fact that it is provided with escorted access to the Metering Facilities of NCPA.

- 1.4 Security and Validation Procedures.** The security measures and the validation, editing, and estimation procedures that the CAISO shall apply to Meter Data made available to the CAISO by NCPA shall be as referred to in the CAISO Tariff and the Business Practice Manual for Metering.
- 1.5 Authorized Users.** In addition to the persons referred to in the CAISO Tariff, including NCPA and the relevant Scheduling Coordinator, as being entitled to access Meter Data on SQMDS, NCPA may set forth in Schedule 15.2 of this Agreement any additional authorized users that shall be entitled to access NCPA's Settlement Quality Meter Data held by the CAISO. NCPA shall include in Schedule 15.2 as authorized users the relevant UDCs and TOs. The CAISO shall provide the authorized users with any password or other information necessary to access NCPA's Settlement Quality Meter Data held by the CAISO on SQMDS. Any amendment or addition to Schedule 15.2 shall not constitute an amendment to this Agreement.
- 1.6 Certification, Inspection, and Auditing of Meters.** NCPA shall be responsible for all reasonable costs incurred by the CAISO or a CAISO Authorized Inspector in connection with them carrying out the certification, inspection, testing or auditing of the meters identified in Schedule 15.1 from which NCPA provides Meter Data to the CAISO. The CAISO or CAISO Authorized Inspector shall furnish NCPA, upon request, an itemized bill for such costs.

### **Obligations and Rights of the CAISO**

- 2.0 Direct Polling of Revenue Quality Meter Data.** The CAISO shall allow the Scheduling Coordinator representing NCPA and all authorized users to directly poll CAISO certified meters for the Meter Data relating to NCPA in accordance with the procedures referred to in the CAISO Tariff and the Business Practice Manual for Metering.
- 2.1 CAISO as a Third-Party Beneficiary.** The CAISO shall be a third-party beneficiary to any future agreement between NCPA and any other party relating to the Metering Facilities of NCPA for the purpose of granting the CAISO access to any relevant information, records and facilities as needed by the CAISO to fulfill its obligations under the CAISO Tariff and its obligations under this Agreement.
- 2.2 Remote and Local Access to Metering Data.** The CAISO shall provide NCPA any password or other requirements necessary for NCPA to access its Meter Data remotely or locally at the meter.

**Calculation of NCPA Settlement Quality Meter Data**

The calculation of NCPA's Settlement Quality Meter Data ("SQMD") shall be made in accordance with a calculation procedure that is mutually agreed by the Parties, which calculation procedure will generally be as follows:

**NCPA SQMD (Gross MSS Demand) =** Settlement Quality Meter Data at the Points of MSS Interconnection plus Metered Generation from Internal Generating Units.

In order to determine the quantity of Gross MSS Demand that is served by TOR or ETC deliveries, and in turn will not be subject to Congestion costs resulting from the CAISO LMP calculation, the quantity of Gross MSS Demand that is served by TOR or ETC deliveries must be identified for Settlement purposes. The quantity of Gross MSS Demand that is served by TOR or ETC deliveries will be scheduled at one of the NCPA or SVP Custom LAPs, as described below, which will be used to identify the quantity of Gross MSS Demand that is served by TOR or ETC deliveries. The quantity of Gross MSS Demand that is not served by TOR or ETC deliveries will be provided to the CAISO using a specified SQMDS Resource ID which will be equal to Gross MSS Demand less the amount of Gross MSS Demand served by TOR or ETC deliveries. NCPA will calculate and supply to the CAISO, using SQMDS Resource IDs, the metered values associated with the Gross MSS Demand served at the SVP Custom LAP, Plumas Custom LAP, and SOTP Custom LAP served by TOR and ETC deliveries, and Gross MSS Demand not served by TOR and ETC deliveries.

**NCPA and SVP Custom TOR / ETC LAPs**

**SVP Custom LAP =** Metered deliveries at the SVP Custom LAP, which was created for the purpose of settling Gross MSS Demand associated with TOR and ETC deliveries to the SVP City Gate, is separated from other Gross MSS Demand for the purpose of settling Congestion costs.

**Plumas Custom LAP =** Metered deliveries at the Plumas Custom LAP, which was created for the purpose of settling Gross MSS Demand associated with TOR and ETC deliveries to Plumas Sierra REC, is separated from other Gross MSS Demand for the purpose of settling Congestion costs.

**SOTP Custom LAP =** Metered deliveries at the SOTP Custom LAP, which was created for the purpose of settling Gross MSS Demand associated with TOR and

ETC deliveries to the MSSAA Members with SOTP Entitlement, as further described in Schedule 13, is separated from other Gross MSS Demand for the purpose of settling Congestion costs.

This calculation will be done on an aggregated basis, by applicable LAP, consistent with the level of aggregation of the Schedules, provided in the form of a Bid, which will be submitted to the CAISO. The Load Distribution Factors, which are used to disaggregate the aggregated scheduled and metered information, are developed by the CAISO.

## SCHEDULE 15.1

### METER INFORMATION

Location	Street Address	City, State, Zip	Owner	meter_id
Alameda CT 1, Unit 1	2900 Main Street	Alameda, CA 94501	NCPA	5910078
Alameda CT 1, Unit 2	2900 Main Street	Alameda, CA 94501	NCPA	5910079
Geothermal Plant 1 (Unit 1)	11785 Socrates Mine Road	Middletown, CA 95461	NCPA	5910081
Geothermal Plant 2 (Unit 3)	11785 Socrates Mine Road	Middletown, CA 95461	NCPA	5910083
Hydro Bellota 1	24400 Flood Road	Linden, CA 95236-9429	NCPA	5910093
Hydro Bellota 2	24400 Flood Road	Linden, CA 95236-9429	NCPA	5910094
Hydro New Spicer Meadows	Cabbage Patch Substation	Hwy 4	NCPA	5910295
Lodi CT1	2131 W Turner Road	Lodi, CA 95242	NCPA	5910074
Lodi STIG	12745 N. Thornton Road	Lodi, CA 95242	NCPA	5910306
Biggs 12kV	2901 7th Street	Biggs, CA	NCPA	5839002
Biggs 60kV (Main)	11th & Dakota Ave	Biggs, CA	NCPA	5839001
Gridley, City of	52 East Gridley Road	Gridley, CA 95948-2604	NCPA	5821501
Healdsburg, City of	780 Heron Drive	Healdsburg, CA 95448	NCPA	5840001
Lodi #1 Industrial	1230 E. Thurman Street	Lodi, CA 95240	NCPA	5840505
Lodi #2 Industrial	1230 E. Thurman Street	Lodi, CA 95240	NCPA	5840507
Lodi White Slough Stig	12751 N. Thornton Road	Lodi, CA 95242	NCPA	5910457
Lompoc #1 115kV	1110 N. D Street	Lompoc, CA 93436-6912	NCPA	5841001
Lompoc #2 115kV	1110 N. D Street	Lompoc, CA 93436-6912	NCPA	5841002
Oakland Station C	710 2nd & Grove Street	Oakland, CA, 94607	NCPA	5839501
Oakland Station J	Collisium & 50th Ave	Oakland, CA 94601	NCPA	5839503
Palo Alto Colorado Line #1	1040 Colorado Avenue	Palo Alto, CA 94303-3808	NCPA	5827501
Palo Alto Colorado Line #2	1040 Colorado Avenue	Palo Alto, CA 94303-3808	NCPA	5827502
Palo Alto Colorado Line #3	1040 Colorado Avenue	Palo Alto, CA 94303-3808	NCPA	5827503
Palo Alto Municipality Yard	3201 East Bayshore Road	Palo Alto, CA	Palo Alto	5910604
Plumas Quincy Sub.	2468 E. Main Street	Quincy, CA 95971	NCPA	5811501
High Sierra Cogeneration	711-045 Center Rd.	Susanville, CA 96130	Plumas Sierra REC	5910747
Marble Substation	Marble Lane & A23 Street	Sattley, CA	SPPC	5910514 and 5910515
Ukiah - Babcock	700 Babcock Lane	Ukiah, CA 95482	NCPA	5841501
Lake Mendocino Hydro	Lake Mendocino	Ukiah, CA 95482	NCPA	5841502
NCPA-Oak1	9250 Earhart Road	Oakland, CA, 94621	NCPA	5910396 and 5910397
Port of Oakland Harbor	7 <sup>th</sup> Street and Maritime Street	Oakland, CA	NCPA	5910399
Port of Oakland Army Base <sup>2</sup>	7 <sup>th</sup> Street and Maritime Street	Oakland, CA	NCPA	5833501

<sup>2</sup> Meters for the Army Base will only be read if the Army Base is incorporated into Port of Oakland Load.

**SCHEDULE 15.2****ACCESS TO METER DATA AND AUTHORIZED USERS**

NCPA shall provide in Schedule 15.2 a list of all authorized users of NCPA's Settlement Quality Meter Data and any restrictions or limitations placed on them.

**Authorized Users**

Pacific Gas and Electric Company

**SCHEDULE 16**  
**TRANSMISSION RELIABILITY CRITERIA**

**[Section 8.1.3 & 12.4]**

For transmission reliability, NCPA and the MSSAA Members shall abide by all NERC and WECC Planning Criteria and the following:

**Power Flow Assessment:**

Contingencies	Thermal <sup>3</sup>	Criteria	Voltage <sup>4</sup>
Generating unit <sup>1</sup>	A/R		A/R
Transmission line <sup>1</sup>	A/R		A/R
Transformer <sup>1</sup>	A/R <sup>5</sup>		A/R <sup>5</sup>
Overlapping <sup>2</sup>	A/R		A/R

- 1 All single contingency Outages (i.e. Generating Unit, transmission line or transformer) will be simulated on Participating Transmission Owners' local area systems.
- 2 Key Generating Unit out, system readjusted, followed by a line Outage.
- 3 Applicable Rating – Based on CAISO Transmission Register or facility upgrade plans.
- 4 Applicable Rating – CAISO Grid Planning Criteria or facility owner criteria as appropriate.
- 5 Based on judgment of CAISO and facility owner, a thermal or voltage criterion violation resulting from a transformer Outage may not be cause for Reliability Must-Run Generation solution if the violation is considered marginal (e.g. acceptable loss of life or low voltage), otherwise (e.g. unacceptable loss of life or voltage collapse) a Reliability Must-Run Generation solution would be indicated.

**Post Transient Load Flow Assessment:**

Contingencies	Reactive Margin Criteria <sup>2</sup>
Selected <sup>1</sup>	A/R

- 1 If power flow results indicate significant low voltages for a given power flow contingency, simulate that Outage using the post transient load flow program. The post-transient assessment will develop appropriate Q/V and/or P/V curves.
- 2 Applicable Rating – positive margin based on 105% of 1 in 2 year load forecast.

**Stability Assessment:**

Contingencies

Stability Criteria <sup>2</sup>Selected <sup>1</sup>

A/R

- 1 If power flow or post transient study results indicate significant low voltages or marginal reactive margin for a given contingency, simulate that Outage using the dynamic stability program.
- 2 Applicable Rating – CAISO Grid Planning Criteria or facility owner criteria as appropriate.

**SCHEDULE 17  
CONTACTS FOR NOTICES****[Section 18.1]****NCPA**

**Name of Primary Representative:** Tony Zimmer  
**Title:** Supervisor, Industry Restructuring and Interconnection Affairs  
**Address:** 651 Commerce Drive  
**City/State/Zip Code:** Roseville CA 95678  
**Email Address:** tony.zimmer@ncpa.com  
**Phone:** (916) 781 - 4229  
**Fax No:** (916) 781 - 4252

**Name of Alternative Representative:** Dave Dockham  
**Title:** Assistant General Manager – Power Management  
**Address:** 651 Commerce Drive  
**City/State/Zip Code:** Roseville CA 95678  
**Email Address:** dave.dockham@ncpa.com  
**Phone:** (916) 781 - 4256  
**Fax No:** (916) 781 - 4252

**CAISO**

Name of Primary Representative: Roni L. Reese  
Title: Senior Contracts Analyst  
Address: 250 Outcropping Way  
City/State/Zip Code: Folsom, CA 95630  
Email Address: rreese@caiso.com  
Phone: (916) 608-7027  
Fax No: (916) 608-7292

Name of Alternative Representative: Christopher J. Sibley  
Title: Lead Contract Negotiator  
Address: 250 Outcropping Way  
City/State/Zip Code: Folsom, CA 95630  
Email Address: csibley@caiso.com  
Phone: (916) 608-7030  
Fax No: (916) 608-7292

**SCHEDULE 18**  
**MSS MEMBERS**

**[Section 1.2]**

**MSSAA Members**

City of Alameda  
City of Biggs  
City of Gridley  
City of Healdsburg  
City of Lodi  
City of Lompoc  
City of Palo Alto  
City of Ukiah  
Plumas-Sierra Rural Electric Cooperative  
Port of Oakland (The Port of Oakland's Oakland International Airport Service Area, the Port of Oakland Harbor Service Area, and the Port of Oakland Army Base)

**SVP**

City of Santa Clara (Silicon Valley Power)

## 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 in MWh on a 10-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 Instructed Imbalance Energy and Regulation Energy.

MSSA expected Instructed Imbalance Energy 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 Instructed Imbalance Energy 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 Instructed Imbalance Energy 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 Instructed Imbalance Energy

- Sum of Regulation Up Energy
- (DA CAISO Sale/Purchase) / 6

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%).
- Instructed Imbalance Energy is expected 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 target of the unit, in a way that accurately accounts for any MSS Load Following Energy, and differentiates that from CAISO Instructed Imbalance Energy.
- 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 HASP, 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 HASP.
- Bilateral Trades are trades that are arranged by contract with a Third Party in the Day-Ahead or HASP 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 HASP, 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. 2011 – \_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING  
THE THIRD AMENDED AND RESTATED NORTHERN  
CALIFORNIA POWER AGENCY METERED SUBSYSTEM  
AGGREGATOR AGREEMENT AND AUTHORIZING EXECUTION  
BY THE CITY MANAGER WITH ADMINISTRATION BY THE  
ELECTRIC UTILITY DIRECTOR

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WHEREAS, Lodi currently operates in the California Independent System Operator (CAISO) balancing authority area as a load following metered subsystem in accordance with the Second Amended and Restated Northern California Power Agency (NCPA) Metered Subsystem Aggregator (MSSA) Agreement (previously MSSA Agreement) and the CAISO Tariff; and

WHEREAS, the previous MSSA Agreement contained terms and conditions under which Lodi operated, scheduled and settled transactions in the CAISO markets; and

WHEREAS, Lodi staff, working with NCPA and CAISO staff, has developed the Third Amended and Restated NCPA MSSA Agreement (Amended Agreement) to enhance certain settlement provisions in the agreement, and to amend various sections of the previous agreement to be consistent with current market rules and business requirements; and

WHEREAS, the Amended Agreement will benefit Lodi by further enhancing its ability to perform load following, streamline the process for updating the Agreement, and ensure the Agreement remains consistent with current business practices; and

WHEREAS, the Amended Agreement will enable NCPA to act on behalf of Lodi to execute any future amendments to the schedules of the Amended Agreement by approval of the NCPA Commission, will update various schedules in the previous agreement to be consistent with current business practices, adds a new resource to Schedule 14 of the Amended Agreement, includes language in the Amended Agreement to clarify the classification of load following energy, and implements certain revisions to the MSSA load following deviation energy formula documented in Schedule 19 of the Amended Agreement; and

WHEREAS, work associated with the development of the Amended Agreement has been undertaken pursuant to approved budget categories; and

NOW, THEREFORE BE IT RESOLVED that the Lodi City Council does hereby approve the Third Amended and Restated Northern California Power Agency Metered Subsystem Aggregator Agreement and Authorize Execution by the City Manager with Administration by the Electric Utility Director.

Dated: November 2, 2011

=====

I hereby certify that Resolution No. 2011-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 2, 2011, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk

2011-\_\_\_\_\_



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Extending City of Lodi Participation for Ten Years in the San Joaquin County Abandoned Vehicle Abatement Service Authority Program

**MEETING DATE:** November 2, 2011

**PREPARED BY:** Chief of Police

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**RECOMMENDED ACTION:** Adopt resolution extending City of Lodi participation for ten years in the San Joaquin County Abandoned Vehicle Abatement Service Authority Program.

**BACKGROUND INFORMATION:** In 1990 the California State Legislature allowed for the creation of county-based vehicle service authorities, pursuant to the provisions of Vehicle Code Section 22710. The San Joaquin County Abandoned Vehicle Abatement Service Authority was formed in January 2002 and imposed a \$1 annual vehicle registration fee to owners living in San Joaquin County.

Vehicle registration fees are collected by the Department of Motor Vehicles and allocated to San Joaquin County by the State Controller's Office pursuant to Vehicle Code Section 9250.7. Fees are then allocated to eight participating entities on the basis of percentage of vehicles abated in relation to the total of vehicles abated by the Service Authority as a whole.

The existing participating entities are the County of San Joaquin, and the cities of Escalon, Lodi, Lathrop, Manteca, Ripon, Stockton and Tracy. Since the inception of the program the Service Authority has received more than \$4.7 million, which has allowed participating entities to abate 51,219 abandoned vehicles.

Lodi receives an allocation ranging from \$30,000 to \$47,000 annually. These funds are designated for use in continuing the Abandoned Vehicle Abatement Program (AVAP). In previous years the funds have been allocated to cover the cost of the Abandoned Vehicle Abatement Program including staff hours spent on enforcement, vehicles for community improvement, radios, computer equipment, and most recently the annual purchase of GoForce Code Enforcement tracking software to streamline staff's reporting process. These funds continue to be essential for our enforcement of Abandoned Vehicle Abatement.

The current program will expire on April 30, 2012. New legislation allows local service authorities to extend the program every 10 years with the approval of the County and a majority of the cities comprising a majority of the population of the incorporated areas. The County of San Joaquin has already adopted a resolution extending the program as well as the Cities of Stockton, Manteca and Tracy. Adoption of a resolution will confirm Lodi's intent to continue as part of the AVAP.

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager

**FISCAL IMPACT:**

Approximately \$30,000 to \$47,000 in annual Vehicle Abatement Revenue Account 1001.5706 until April 2022

**FUNDING AVAILABLE:**

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Jordan Ayers  
Deputy City Manager

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Mark Helms  
Chief of Police

MH:jb  
cc: City Attorney

RESOLUTION NO. 2011-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL EXTENDING  
CITY OF LODI PARTICIPATION FOR TEN YEARS IN  
THE SAN JOAQUIN COUNTY ABANDONED VEHICLE  
ABATEMENT SERVICE AUTHORITY PROGRAM

=====

WHEREAS, California Vehicle Code Sections 9250.7 and 22710 provides for the establishment of a Service Authority for abandoned vehicle abatement if the Board of Supervisors of the County and a majority of the cities within the county having a majority of the population adopt Resolutions providing for the establishment of the authority; and

WHEREAS, San Joaquin County and eight cities within the county adopted Resolutions in April, 2001 to create the Abandoned Vehicle Abatement Service Authority that will expire in April, 2012; and new legislation allows for an extension of the program for 10 years with the approval of the County and a majority of the cities comprising the majority of the population of the incorporated areas; and

WHEREAS, the City Council finds that it is desirable for the Abandoned Vehicle Abatement Program be continued to provide for the proper removal and disposal of abandoned vehicles and assist law enforcement and code enforcement personnel in abatement of abandoned vehicles;

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council supports and approves the extension of the San Joaquin County Abandoned Vehicle Abatement Service Authority Fee Program until April, 2022.

Dated: November 2, 2011

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I hereby certify that Resolution No. 2011-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 2, 2011, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Approve Amendment to City Council Protocol Manual Section 5.2 (Commission Appointments) to Add Language Regarding Removal Process

**MEETING DATE:** November 2, 2011

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Approve amendment to City Council Protocol Manual Section 5.2 (Commission Appointments) to add language regarding removal process.

**BACKGROUND INFORMATION:** At the request of the Mayor, this item is being brought forward to ensure that the City Council Protocol Manual sets forth a complete and accurate process for both appointments and removals of board, committee and commission members. At the present time, only an appointment process is in place. The City Clerk's office is contacted on a regular basis by the City's liaisons to the various boards, committees and commissions with questions regarding the appointment and removal processes. The language suggested below outlines both processes.

**"5.2 Board, Committee and Commission Appointment and Removal"**

**Appointment**

Resolution No. 2003-156, adopted by the Lodi City Council on August 20, 2003, establishes the policy regarding appointment of persons to membership on a City board, committee, and commission (hereinafter "Commission"). Commission applicants, with the exception of the Greater Lodi Area Youth Commission, must be registered voters of San Joaquin County, and Site Plan and Architectural Review Commission applicants must be registered voters of the City of Lodi. Pursuant to LMC Section 2.16.010, "Established—Appointment," Planning Commission applicants must be registered voters of the City of Lodi. Those applicants not meeting this requirement will be notified by the City Clerk's Office that their application does not meet specifications and cannot be considered for appointment. Applications are to be accepted by the City Clerk for 30 days and shall remain valid and on file for one year. Exception: Full-time and part-time City employees are prohibited from serving on a commission.

Those seeking appointment to a commission must submit an application to the City Clerk's Office. Those commissioners whose terms have expired must submit a new application (terms are not automatically renewed), and the City Clerk will notify said Commissioners with a letter and new application form. Following the close of the 30-day application period, copies of all applications will be provided to Council Members for informational purposes, as well as to the appropriate staff liaisons, who will be asked to provide feedback on each candidate, including those seeking reappointment.

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager

The Mayor shall conduct interviews and submit recommendation(s) for appointment to the City Clerk's Office for placement on the City Council agenda for motion action. Exception: The Greater Lodi Area Youth Commission may conduct independent interviews of all applicants, providing the Mayor with a ranking of the top ten, which he/she shall use in selecting qualified candidates.

Following Council appointment, the successful candidate(s) will be notified by the City Clerk's Office via letter of the appointment and Conflict of Interest filing obligation. Copies of the letter and completed application form(s) will be forwarded to the appropriate staff liaison, who will contact the successful candidate(s) regarding meeting dates and times and responsibilities. The City Clerk's Office will notify the unsuccessful candidates of the outcome and confirm the status of their application (i.e. currently valid; has or about to expire; etc.).

### **Removal**

**A person appointed by the City Council to a Commission shall continue to serve as a member thereof except when:**

- 1. The person's term of office expires and a different person has been appointed.**
- 2. The person voluntarily resigns from the Commission.**
- 3. The person no longer resides and/or is a registered voter within the required jurisdiction.**
- 4. The person fails to attend three (3) consecutive meetings of the Commission and does not have prior approval for said absences by way of a majority action of the Commission.**

**A majority vote of the City Council may remove any member of a Commission for any reason including, but not limited to, conduct unbecoming a public official, violating the City's Conflict of Interest Code, failing to comply with statutory requirements, or failing to attend fifty percent (50%) of the Commission meetings in a calendar year. Conduct unbecoming a public official includes the conduct that any reasonable commissioner would know is incompatible to public service, would indicate a lack of fitness to perform the functions of a commissioner or would discredit or cause embarrassment to the City.**

**Any member of the City Council may initiate a person's removal from a Commission by requesting that consideration of the person's removal be placed on the Council's agenda at a regular or special meeting for discussion and potential action. The City Clerk shall notify the person affected of the time and place of the meeting. When the item is on the City Council agenda, the City Council may, by majority vote, remove the person from a Commission."**

It is therefore recommended that the City Council approve the above-referenced amendment to Section 5.2 of the Protocol Manual setting forth a complete process for both appointments and removals.

**FISCAL IMPACT:** Not applicable.

**FUNDING AVAILABLE:** Not applicable.

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Randi Johl  
City Clerk



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Disbanding the Community Separator/Greenbelt Task Force and the Grape Bowl Ad Hoc Committee

**MEETING DATE:** November 2, 2011

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Adopt resolution disbanding the Community Separator/Greenbelt Task Force and the Grape Bowl Ad Hoc Committee.

**BACKGROUND INFORMATION:** This item is being brought forward at the request of the Mayor. Upon a cursory review of the Local Appointments List which sets forth the various boards, committee and commissions of the City of Lodi, it is determined that the list contains two inactive committees – the Community Separator/Greenbelt Task Force and the Grape Bowl Ad Hoc Committee. Disbandment of these two committees is recommended for the following reasons:

Community Separator/Greenbelt Task Force – The Task Force was created in December 2003 to create a greenbelt community separator to preserve open space and agricultural farmland between the cities of Lodi and Stockton, to explore and investigate a variety of models available as utilized in other cities to accomplish the separator and open space plan, and make recommendations to the City Council. The subject matter was discussed at various times with the City Council, Planning Commission, County Board of Supervisors and property owners. The last action by the City Council in November 2007 was to place the Task Force on a hiatus to allow the area property owners, City staff, and County staff and officials to develop an alternative County zoning for the effected property which has not occurred as of this date due to the lack of financial resources. The Task Force has six vacancies and several members requested to be removed off the notification list. The Task Force last met five years ago in November 2006.

Grape Bowl Ad Hoc Committee – The Committee was created in November 2005 to obtain community input and explore opportunities, constraints, and costs associated with future use and improvements of the Grape Bowl. An ad hoc committee by nature is designed to exist for a short period of time to complete a specific task which the Committee did in July 2006 and October 2007 when it provided its recommendations to the City Council. The Committee last met four years ago in October 2007.

Notwithstanding the proposed disbandment of the existing committees, similar committees can be created at any time in the future should a related issue arise. It is therefore recommended that the City Council adopt the resolution disbanding the Community Separator/Greenbelt Task Force and the Grape Bowl Ad Hoc Committee.

**FISCAL IMPACT:** Not applicable.

**FUNDING AVAILABLE:** Not applicable.

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Randi Johl  
City Clerk

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager

RESOLUTION NO. 2011-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL DISBANDING  
THE COMMUNITY SEPARATOR/GREENBELT TASK FORCE  
AND THE GRAPE BOWL AD HOC COMMITTEE

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the disbanding of the Community Separator/Greenbelt Task Force and the Grape Bowl Ad Hoc Committee effective immediately.

Dated: November 2, 2011

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I hereby certify that Resolution No. 2011-\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 2, 2011, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Amending the Bylaws for the Lodi Improvement Committee  
**MEETING DATE:** November 2, 2011  
**PREPARED BY:** Community Development Department

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**RECOMMENDED ACTION:** Adopt a Resolution amending the Bylaws of the Lodi Improvement Committee.

**BACKGROUND INFORMATION:** The Lodi Improvement Committee (LIC) voted unanimously on October 11, 2011 to amend the LIC Bylaws. In addition to cleaning up some of the language within the bylaws, the amendments made two structural changes to the committee by eliminating the position of Treasurer and by reducing the number of members on the committee from seven to five. The red-line version of the draft bylaws are attached for reference as Exhibit A.

The LIC has always held funds raised through events and from previous grants in a checking account. Through the years those funds have been used to buy matching polo shirts for the LIC members, pay for lunches at their annual goal-setting sessions, and for community projects such as the Main Street City Hall/Firehouse Paint Project. The Treasurer position has had the responsibility of tracking and providing monthly report of those funds. As those funds are being depleted and the bank account closed, the need for a Treasurer position has been eliminated. Any future funding that the LIC receives will be deposited in a trust account within the Finance Department. The staff liaison for the LIC will assume responsibility for reporting account balances to the LIC.

In 2008, the LIC amended its bylaws to reduce its membership from nine to seven members, in part due to some difficulty in reaching a quorum at regular meetings. The LIC has had two vacant positions for most of the past year and has been unable to find interested applicants to fill both positions through multiple postings by the City Clerk's Office. This has again made it difficult for the LIC to reach a quorum at its regular meetings and has led it to the decision to reduce its membership from seven to five.

The Lodi Improvement Committee is requesting that the City Council approve the proposed Bylaw amendments, referenced in the attachment.

**FISCAL IMPACT:** Not applicable.

**FUNDING AVAILABLE:** Not applicable.

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Konradt Bartlam  
Community Development Director

Attachment  
KB/jw

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager

RESOLUTION NO. 2011-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL  
APPROVING AMENDMENTS TO THE BYLAWS FOR  
THE LODI IMPROVEMENT COMMITTEE

=====

WHEREAS, the members of the Lodi Improvement Committee (LIC) wish to amend the Bylaws that, in addition to cleaning up language therein, will change the number of members on the Committee from seven to five, which also affects what constitutes a quorum for all meetings, will eliminate the position of Treasurer, and alter how funds will be held and accounted for; and

WHEREAS, at the Regular Meeting held on October 11, 2011, the LIC voted and approved said amendments to the Bylaws and hereby respectfully submits the amended Bylaws to the Lodi City Council for its review and approval.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the amendments to the bylaws for LIC, as shown on Exhibit A attached and made a part of this Resolution.

Dated: November 2011

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I hereby certify that Resolution No. 2011-xx was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 2, 2011, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk

**EXHIBIT “A”**

**BY-LAWS OF**

**THE LODI IMPROVEMENT COMMITTEE**

**ARTICLE I**

**ORGANIZATION**

**SECTION 1.**

Under the auspices of the City of Lodi, there is hereby created the Lodi Improvement Committee.

**ARTICLE II**

**PURPOSES**

**SECTION 1. GENERAL PURPOSE**

The Lodi Improvement Committee is organized and created for the purposes of maintaining and improving the quality of life and appearance of Lodi by the coordinated efforts of a broad spectrum of the community.

**SECTION 2. SPECIFIC GOALS/PURPOSES**

- A) To combat illegal drugs, prostitution, and other crimes by such measures as cooperation with or establishment of groups such as Crime Stoppers and Neighborhood Watch.
- B) To eliminate blight and encourage the maintenance, improvement, or rehabilitation of properties throughout Lodi, with the cooperation of residents, property owners, business, and government.
- C) To act as an advocate for residents in issues dealing with the upgrade, improvement and maintenance of all infrastructure, including streets, alleys, water, sewer and storm drainage systems.
- D) To encourage compliance with building, housing, fire, and other health and safety laws, and local property maintenance ordinances by property owners, residents, and businesses.

## EXHIBIT "A"

- E) To coordinate with churches, civic and community groups, and other community based organizations to educate and inform the public on ways of achieving these goals, and to keep the public informed of the efforts.
- F) To work with business community to encourage a healthy business climate.
- G) Provide acknowledgement to properties and businesses throughout the City that show marked improvements in service and appearance that contributes to the image and quality of the community.

### ARTICLE III

#### MEMBERSHIP

##### SECTION 1. GENERAL MEMBERSHIP

General membership shall be open to all persons.

##### SECTION 2. BOARD OF DIRECTORS

Effective ~~July 21, 2009~~ **October 11, 2011**, pending approval by the Lodi City Council, the ~~nine (9)~~ **seven (7)** person Board of Directors shall, ~~by attrition,~~ **by elimination of two (2) vacant positions,** be reduced to a ~~seven (7)~~ **five (5)** member board. ~~Such attrition shall occur by resignation or removal of directors currently serving, failure to complete their term or failure to seek reappointment at the end of their term.~~ During and after the transition, a quorum of the Board for voting or meeting purposes shall consist of fifty percent (50%) plus one of all directors then serving on the Board. After transition is complete, directors shall continue to serve three year staggered terms, based on their original date of appointment.

##### SECTION 3. SUBCOMMITTEES

There may be as many subcommittees as deemed necessary by the Board to accomplish any specific goal to be achieved by the Improvement Committee.

**EXHIBIT "A"**

ARTICLE IV

OFFICERS

SECTION 1. EXECUTIVE OFFICERS

The Executive Officers shall consist of a Chairperson **and a** Vice-Chairperson, ~~and Treasurer~~. New officers shall be elected by the Board annually at the first meeting in April.

SECTION 2.

The Chairperson or Vice Chairperson shall serve as spokesperson for the Lodi Improvement Committee and liaison with the Lodi City Council.

SECTION 3.

Any Executive Officer or Board of Directors member who misses three (3) unexcused meetings within a one year period without the consent of one of the Executive **Officers** ~~Board Members~~ shall be deemed to have vacated the office.

ARTICLE V

FINANCIAL MATTERS

SECTION 1. REVENUES

All revenues of the Lodi Improvement Committee shall be administered through ~~a bank account~~ **the City of Lodi Finance Department**, ~~to be monitored by the City of Lodi~~ and into which all donations, gifts, or other revenues raised by the Lodi Improvement Committee shall be placed. All expenditures must be approved by a majority vote of the Board, subject to City Council overview and signed by ~~Treasurer and~~ one Executive Officer.

## EXHIBIT "A"

### SECTION 2. AUDITING

The fund account for the Lodi Improvement Committee shall be audited as part of the City's regular annual audit and quarterly expenditures reports will be submitted by the Treasurer to the Finance Department of the City of Lodi.

## ARTICLE VI

### TERM OF EXISTENCE/DISSOLUTION

#### SECTION 1. CONTINUOUS OPERATION

The Lodi Improvement Committee shall continue and be permanent until dissolved by action of the City Council or the Improvement Committee Board of Directors.

## ARTICLE VII

### BOARD PROCEDURES

#### SECTION 1. PROCEDURES

After the transition described in Article III, Section 2 above is complete, ~~five Board Members shall~~ **fifty percent (50%) plus one of all directors then serving on the Board shall** constitute a quorum and may conduct business at any regular meeting. A majority of those present may act by affirmative vote. No proxy voting is allowed.

#### SECTION 2. MEETING

Regular meetings of the Board shall be held once a month, on the second Tuesday of each month, at a location to be determined by the Board and opened to the public. Special meetings shall be held as necessary. All meetings shall be subject to the provisions of the Ralph M. Brown Act (Gov. Code §54950 et. Seq.),

**EXHIBIT "A"**

SECTION 3. COMMUNICATIONS

All external communications to the public or media shall be through or authorized by the Chairperson, or in his/her absence, by the Vice-Chairperson or a designated Board Member.

ARTICLE VIII

AMENDMENTS

SECTION 1.

These Bylaws shall constitute the empowering documents for the Lodi Improvement Committee and may be revised by the City Council or a majority vote of the Board of Directors, at a regular meeting previously announced for the purpose, subject to ratification by the Lodi City Council.

ADOPTED BY CITY COUNCIL VOTE ON \_\_\_\_\_, RATIFIED BY MAJORITY VOTE OF THE LODI IMPROVEMENT COMMITTEE ON **OCTOBER 11, 2011**

\_\_\_\_\_  
CHAIRPERSON

APPROVED AS TO FORM

\_\_\_\_\_  
D. STEPHEN SCHWABAUER  
CITY ATTORNEY



# CITY OF LODI COUNCIL COMMUNICATION

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**AGENDA TITLE:** Set Public Hearing for November 16, 2011, to Consider Unmet Transit Needs in Lodi  
**MEETING DATE:** November 2, 2011  
**PREPARED BY:** Public Works Director

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**RECOMMENDED ACTION:** Set public hearing for November 16, 2011, to consider unmet transit needs in Lodi.

**BACKGROUND INFORMATION:** The San Joaquin Council of Governments (SJCOG) is required to conduct an annual assessment of the existing transit system prior to the allocation of Local Transportation Funds for non-transit purposes (TDA Section 99401.5). SJCOG, the San Joaquin Regional Transit District, and local jurisdictions are sponsoring several upcoming Unmet Transit Needs hearings in San Joaquin County, including Lodi. Any comments received from those meetings will be communicated to City staff. It should be noted that many of the comments are given directly via email to SJCOG staff throughout the year.

Unmet Transit Needs are defined as transportation services not currently provided to those residents who use or would use public transportation regularly, if available, to meet their life expectations. SJCOG's Social Services Transportation Committee (SSTAC) will evaluate the comments received based on a reasonableness test of six criteria. The criteria include community acceptance, equity, potential ridership, cost effectiveness, operational feasibility, and funding. The funding criterion requires the imposed service does not cause the public agency to incur expenses in excess of the maximum allocation of TDA funds. Completion of the Draft Unmet Transit Needs study is tentatively scheduled for February 2012 with adoption of the Final Unmet Transit Needs study in April 2012.

**FISCAL IMPACT:** Not applicable.

**FUNDING AVAILABLE:** None required.

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F. Wally Sandelin  
Public Works Director

Prepared by Paula J. Fernandez, Transportation Manager/Senior Traffic Engineer

FWS/PJF/pmf

cc: Tanisha Taylor, San Joaquin Council of Governments  
Aaron Hoyt, San Joaquin Council of Governments

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, 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**



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Conduct a Public Hearing to Consider Adoption of Resolution Amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees For 2012

**MEETING DATE:** November 2, 2011

**PREPARED BY:** Community Development Department

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**RECOMMENDED ACTION:** Conduct a Public Hearing to consider adoption of resolution amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees for 2012.

**BACKGROUND INFORMATION:** On February 21, 2001, the City of Lodi adopted the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). The Plan includes a schedule of fees to be paid by property owners who propose to develop their property with non-agricultural uses. These fees are used to mitigate for the cumulative impacts of new development on habitat lands within Lodi and San Joaquin County. According to the Plan, it is necessary for all jurisdictions covered by the Plan to approve the Habitat Conservation Plan (HCP) fees in order for the jurisdiction to continue to participate in the Plan. The fees are reviewed on an annual basis.

According to the San Joaquin Council of Governments (SJCOG), it is necessary for all jurisdictions covered by the Plan to adopt the annual Habitat Conservation Plan (HCP) fees in order for those jurisdictions to continue to participate in the Plan. SJCOG adopted financial analysis model in late 2006 to calculate development fees. The Financial Analysis Model also established a formula method that provides for future annual adjustments of the fee schedule based on the established criteria. Utilizing this formula, the SJCOG has established a new fee schedule for 2012 (attachment). For 2012, the per acre fees for all categories of habitat land have increased. Open Space lands have increased from \$6,631 to \$7,195 (by 8.15 percent). Agriculture and Natural lands (the two largest categories) have increased by 8.37 percent from \$13,262 to \$14,372. Fees for Vernal Pool (grasslands) habitat lands increased by 8.36 percent from \$38,328 to \$41,534 and Vernal Pool (wetted lands) increased by 5.49 percent from \$77,720 to \$81,989. An explanation of the analysis methodology is included in the SJCOG staff report (attachment).

On Thursday, September 22, 2011, The SJCOG Board unanimously approved the attached HCP fee schedule for 2012. All local jurisdictions are now being asked to adopt the new fee schedule that will take effect on January 1, 2012. These new development fee changes will take effect on January 1, 2012 and expire December 31, 2012. The fees will be paid by land owners who develop their property with projects that are subject to the fees.

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager

**FISCAL IMPACT:** Not Applicable

**FUNDING AVAILABLE:** Not Applicable

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Konradt Bartlam  
Community Development Director

KB/IB/kjc

**Attachments:**

- 1) SJCOG Staff Report w/Fee Analysis Update summary

# Staff Report

**SUBJECT:** 2012 SJMSCP Development Fees

**RECOMMENDED ACTION:** Motion to Approve the 2012 SJMSCP Development Fees as Adjusted Pursuant to Land Sale Comparables and Consumer Price Index

**SUMMARY:**

In accordance with the SJMSCP and the new financial analysis model adopted by the SJCOG, Inc. Board mid-2011 for current and future fee updates, SJCOG, Inc. staff shall notify each local jurisdiction regarding proposed annual adjustments to the SJMSCP development fees. The development fees are calculated using a formula method which will be adjusted annually as shown in the table below [FEE = Category A (acquisition) + Category B (assessment & enhancement) + Category C (management & admin)]. Each component of the formula is adjusted using a specific mechanism which relates to the individual component in the fees. The development fees established must be adopted by each of the jurisdictions and would become effective on January 1<sup>st</sup> of the subsequent year for projects using the SJMSCP.

The result was an increase in the fees from 2011 to 2012 shown in the table 1 and 2 below.

**Table 1 - 2012 SJMSCP Development Fees**

Habitat Type	Category A	Category B	Category C	Total Fee	Rounded Fee*
<b>Open Space</b>	\$4,770.60	\$1,538.90	\$885.03	\$7,194.54	<b>\$7,195</b>
<b>AG/Natural</b>	\$9,541.21	\$3,077.79	\$1,752.62	\$14,371.62	<b>\$14,372</b>
<b>Vernal Pool (grasslands)</b>	\$34,587.00	\$579.60	\$6,367.41	\$41,534.01	<b>\$41,534</b>
<b>Vernal Pool (wetted)</b>	\$34,587.00	\$41,034.82	\$6,367.41	\$81,989.22	<b>\$81,989</b>

*Table 2 - 2011 SJMSCP Development Fees*

Habitat Type	Category A	Category B	Category C	Total Fee	Rounded Fee*
<i>Open Space</i>	<i>\$4,288.02</i>	<i>\$1,498.44</i>	<i>\$844.78</i>	<i>\$6,631.23</i>	<i><b>\$6,631</b></i>
<i>AG/Natural</i>	<i>\$8,576.04</i>	<i>\$2,996.88</i>	<i>\$1,689.55</i>	<i>\$13,262.47</i>	<i><b>\$13,262</b></i>
<i>Vernal Pool (grasslands)</i>	<i>\$31,580.64</i>	<i>\$564.36</i>	<i>\$6,183.02</i>	<i>\$38,328.02</i>	<i><b>\$38,328</b></i>
<i>Vernal Pool (wetted)</i>	<i>\$31,580.64</i>	<i>\$39,956.00</i>	<i>\$6,183.02</i>	<i>\$77,719.66</i>	<i><b>\$77,720</b></i>

Projects which participate under the SJMSCP benefit from a pre-determined streamlined processing of the project rather than navigating through a very long and cumbersome regulatory process led by local jurisdiction staff outside the habitat plan. By opting for participation, the project can choose any number of ways to provide mitigation for the impacts of the project through the plan:

1. Pay a fee;
2. Redesign the project to avoid/minimize impacts;
3. Provide land in lieu of the SJMSCP fee which the project will negotiate the easement/fee title costs; or
4. Any combination of the above options.

Or, the project proponent can chose to not participate in the plan and fulfill mitigation requirements on their own with both permitting agencies.

## **DISCUSSION:**

Establishing a development fee for the habitat plan has challenges which are as unique as the habitat plan itself. In 2005, after four years of plan implementation, SJCOG, Inc. determined the fee established under the original financial model was inadequate to support the program. A new financial analysis was undertaken to determine what the fee should be to keep the plan viable and, further, to provide criteria for annually updating the fee. The goal was to establish the fee and an update mechanism that would give SJCOG, Inc, the permit holders (cities and county), and project proponents a stable methodology that would accurately reflect easement market conditions.

Based upon the 2006 Financial Analysis, to establish the SJMSCP fee for each year, SJCOG, Inc. staff pulls comparable agricultural land sales within San Joaquin County which fit the adopted criteria by the SJCOG, Inc. Board from as many sources (i.e. title companies, Multiple Listing Service- MLS, etc.) as possible to develop a good sampling. The purpose of the sampling of comparable land sales fitting the criteria is to identify actual land trends of fee title land purchases. Fee title price sets the primary component of the SJMSCP fee, easement acquisition costs, which represent lands that could be used as mitigation under the habitat plan. The established 2006 Financial Analysis process to collect the comparables uses a minimum of 10 land sales fitting the criteria that have transacted within the past 2-year window. If there are not the 10 minimum comparables, the window is expanded in 6-month blocks until 10 are reached.

There is an inherent issue in the use of available information through public records of land sale comparables. It is quite volatile from year to year as shown in Table 3 below of the SJMSCP fees from 2007 to current. The volatility and fluctuation of the fees is primarily a result of the acquisition component of the fee. Whether the volatility comes from the agricultural crop market, speculation of rights, or availability of land, the SJMSCP fees have fluctuated up and down over the years.

Table 3 – History of SJMSCP Fees since the 2007 Financial Analysis Update

<b>YEAR</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<i>Multi-purpose</i>	\$6,511	\$6,165	\$7,052	\$7,307	\$6,631
<i>Agriculture</i>	\$13,022	\$12,329	\$14,104	\$14,615	\$13,262
<i>Natural</i>	\$13,022	\$12,329	\$14,104	\$14,615	\$13,262
<i>Vernal Pool (wetted)</i>	\$69,858 (wetted)	\$71,125 (wetted)	\$78,353 (wetted)	\$80,760 (wetted)	\$77,720 (wetted)
<i>Vernal Pool (upland)</i>	\$34,958 (upland)	\$35,143 (upland)	\$40,565 (upland)	\$42,071 (upland)	\$38,328 (upland)

To compound the matter, state law allows parties completing the transactions the option to not disclose the final transaction costs in public records. When the costs are not disclosed, staff cannot calculate any components of the sale, therefore the transaction is automatically omitted from the process which skews the available sample size. The results of a small sample size of qualified land comparables within the 2-year period can mean a large swing in the fee from year to year.

SJCOG, Inc. staff recognizes the issue and is continuing to work with the HTAC Financial Subcommittee on the matter for resolution in the future years.

#### **Category A (acquisition) - Comparables**

This category is directly related to land valuation based on comparables which occur in specific zones of the plan. This category is evaluated on a yearly basis by taking all qualified comparables in each zone, including SJCOG, Inc. easements, to set a weighted cost per acre using the same methodology as in the 2006 Financial Analysis Update created by EPS and recently updated in mid-2011 by the Habitat Technical Advisory Financial Sub-Committee and SJCOG, Inc. approval. The SJCOG, Inc. easements are evaluated using the appraised value of the property in the before condition to be included with the fee title sales of other property occurring in San Joaquin County meeting specific criteria below. The final weighted cost per acre of each zone is calculated into a blended rate under SJMSCP Fee Category A (acquisition) figure for each habitat type (*Attachment 1-Tables A-D*).

The criteria to determine valid comparables used in the weighted calculation are:

1. All SJCOG, Inc. transactions (fee title and appraised value of unencumbered property)
2. Sales not less than 40 acres
3. Sales not greater than 500 acres
4. No parcels with vineyard or orchard (except SJCOG, Inc. transactions for special needs)
5. Must be land which would fulfill mitigation under the plan
6. Not greater than 2 years old from the date of June 30<sup>th</sup> of each year with all acceptable comparables included (criteria 1-5). A minimum of 10 acceptable comparables are required for analysis. If the minimum of 10 transactions are not available, the time

period will extend at 3 month intervals prior to the beginning date until 10 comparables are gathered.

The calculation results in an increase to the Agricultural/Natural Habitat type of Category A (acquisition) component to be **\$9,541.21**.

***Category B (assessment & enhancement) - Consumer Price Index***

This category is a straight forward use of an average of the California Consumer Price Index (CPI) calculator, as reported by the California Department of Finance, for a 12 month period following a fiscal year (July – June) to keep up with inflation on a yearly basis. The California CPI calculation was an increase of **2.7%**.

The calculation results in an increase of the Agricultural/Natural Habitat type Category B (Assessment & Enhancement) component to be **\$3,077.79**.

***Category C (management & administration) - Consumer Price Index***

This category is a straight forward use of an average of the California Consumer Price Index (CPI) calculator, as reported by the California Department of Finance, for a 12 month period following a fiscal year (July – June) to keep up with inflation on a yearly basis. The California CPI calculation was an increase of **2.7%**.

The calculation results in an increase of the Agricultural/Natural Habitat type Category C (Management & Administration) component to be **\$1,752.62**.

SJCOG, Inc. staff calculated the fees using the SJMSCP Financial Analysis formula model [FEE = Category A (acquisition) + Category B (assessment & enhancement) + Category C (management & admin)] which is shown in Table 1-8 and final fee table in *attachment 2*. The overall result in the calculations was an increase in the fees from the 2011 to the 2012 shown in the table below.

**2012 SJMSCP Development Fees**

Habitat Type	Category A	Category B	Category C	Total Fee	Rounded Fee*
<b>Open Space</b>	\$4,770.60	\$1,538.90	\$885.03	\$7,194.54	<b>\$7,195</b>
<b>AG/Natural</b>	\$9,541.21	\$3,077.79	\$1,752.62	\$14,371.62	<b>\$14,372</b>
<b>Vernal Pool (grasslands)</b>	\$34,587.00	\$579.60	\$6,367.41	\$41,534.01	<b>\$41,534</b>
<b>Vernal Pool (wetted)</b>	\$34,587.00	\$41,034.82	\$6,367.41	\$81,989.22	<b>\$81,989</b>

<i>Habitat Type</i>	<i>Category A</i>	<i>Category B</i>	<i>Category C</i>	<i>Total Fee</i>	<i>Rounded Fee*</i>
<i>Open Space</i>	<i>\$4,288.02</i>	<i>\$1,498.44</i>	<i>\$844.78</i>	<i>\$6,631.23</i>	<b><i>\$6,631</i></b>
<i>AG/Natural</i>	<i>\$8,576.04</i>	<i>\$2,996.88</i>	<i>\$1,689.55</i>	<i>\$13,262.47</i>	<b><i>\$13,262</i></b>
<i>Vernal Pool (grasslands)</i>	<i>\$31,580.64</i>	<i>\$564.36</i>	<i>\$6,183.02</i>	<i>\$38,328.02</i>	<b><i>\$38,328</i></b>
<i>Vernal Pool (wetted)</i>	<i>\$31,580.64</i>	<i>\$39,956.00</i>	<i>\$6,183.02</i>	<i>\$77,719.66</i>	<b><i>\$77,720</i></b>

The SJMSCP process allows projects which participate under the county-wide habitat plan to realize pre-determined streamlined processing of the project through an otherwise cumbersome regulatory process in a much shorter period of time and cost than navigating outside the plan. By opting for participation and realizing the benefits of the SJMSCP, the project can choose any number of ways to mitigate the impacts of the project through the plan. The SJMSCP allows projects to choose one or multiple mitigation options like simply pay a fee, redesign the project to avoid/minimize impacts, provide land in lieu of the SJMSCP fee which the project will negotiate the costs on their own, or a combination of the options.

After discussion at the September 2011 HTAC meeting, the HTAC committee recommended approval by SJCOG, Inc. Board to adopt the 2012 SJMSCP Development Fees under the habitat plan by a 7-2 vote (BIA and City of Lodi opposing).

**RECOMMENDATION:**

Staff recommends the SJCOG, Inc. Board adopt the 2012 SJMSCP Development Fees.

*Prepared by: Steve Mayo, Senior Habitat Planner*  
*M:\STAFFRPT\2011\September\Board\2012 SJMSCP Development Fees*

Attachment 1 - SJMSCP Comparable Land Sales

Table A. *Central Zone Properties*

	Address	APN	Zone	Sale Date	Price	Acres	Price/Acre	Hab Type	Appreciated Price	Appreciated Price/Acre
Prior 46	16475 Brennan Rd, Escalon, CA	229-050-09	Central	08/21/2009	\$2,000,000.00	79.71	\$25,090.95	C34	\$2,223,666.67	\$27,896.96
Prior 4	11386 Liberty Rd, Galt, CA	007-130-17	Central	10/05/2009	\$645,000.00	73.04	\$8,830.78	G	\$710,575.00	\$9,728.57
Prior 54	29043 S. Lehman Rd, Tracy, CA	253-330-11	CSW	10/30/2009	\$556,000.00	40.07	\$13,875.72	C34	\$612,526.67	\$15,286.42
Prior 13	25000 N. Mackville Rd, Clements, CA	021-150-24	Central	02/18/2010	\$900,000.00	105.29	\$8,547.82	G	\$973,200.00	\$9,243.04
Prior 28	12312 N. Tully Rd, Lodi, CA	065-040-42	Central	05/12/2010	\$260,000.00	40.14	\$6,477.33	C34	\$277,181.67	\$6,905.37
ORT 178	12005 S Austin Road, Manteca, CA	201-070-04	Central	10/27/2010	\$480,000.00	40.00	\$12,000.00	C34	\$499,520.00	\$12,488.00
ORT 211	3300 W Tredway Rd, Lodi, CA	055-180-03	Central	12/30/2010	\$697,000.00	60.00	\$11,616.67	C34	\$718,258.50	\$11,970.98
	* SICOG, Inc. Preserves									
			<b>TOTAL</b>		<b>\$5,538,000.00</b>	<b>438.25</b>	<b>\$12,636.62</b>		<b>\$6,014,928.50</b>	<b>\$13,724.88</b>

Table B. *Delta Properties*

	Address	APN	Zone	Sale Date	Price	Acres	Price/Acre	Hab Type	Appreciated Price	Appreciated Price/Acre
Prior 9	20207 Van Exel Rd, Lodi, CA	011-100-11	Delta	07/29/2009	\$420,000.00	43.50	\$9,655.17	C34	\$469,105.00	\$10,784.02
Prior 41	16321 Wing Levee Rd, Stockton, CA	189-230-16	Delta	10/07/2009	\$575,000.00	51.98	\$11,061.95	C34	\$633,458.33	\$12,186.58
Prior 40	14646 W. Fink Rd, Tracy, CA	189-050-30	Delta	06/19/2010	\$1,156,000.00	166.63	\$6,937.53	C34	\$1,226,516.00	\$7,360.72
			<b>TOTAL</b>		<b>\$2,151,000.00</b>	<b>262.11</b>	<b>\$8,206.48</b>		<b>\$2,329,079.33</b>	<b>\$8,885.89</b>

Table C. *Southwest Zone Properties*

	Address	APN	Zone	Sale Date	Price	Acres	Price/Acre	Hab Type	Appreciated Price	Appreciated Price/Acre
ORT 164	18550 W Corral Hollow Rd, Tracy, CA	263-200-17	SW	08/06/2010	\$180,000.00	240	\$750.00	BCN2	\$180,000.00	\$750.00
	<b>Rustan Coldwell 210*</b>		SW	06/01/2010	\$174,930.00	210	\$833.00	G	\$174,930.00	\$833.00
	<b>Cubiburu*</b>		SW	03/02/2011	\$600,000.00	600	\$1,000.00	G	\$600,000.00	\$1,000.00
	* SICOG, Inc. Preserves		<b>TOTAL</b>		<b>\$774,930.00</b>	<b>810</b>	<b>\$956.70</b>		<b>\$774,930.00</b>	<b>\$956.70</b>

Table D. *Encumbered Properties\**

	Address	APN	Zone	Sale Date	Price	Acres	Price/Acre	Hab Type	Appreciated Price	Appreciated Price/Acre
	Caffese Trust / Leventini		Delta	10/17/2003	\$550,000.00	179.91	\$3,057.08	C34	\$676,500.00	\$3,760.21
	Rurup Trust / Supprenant		Delta	01/09/2004	\$425,000.00	195	\$2,179.49	C34	\$519,562.50	\$2,664.42
	Hammer Trust / Morais		Delta	06/25/2004	\$854,000.00	388.89	\$2,195.99	C34	\$1,033,340.00	\$2,657.15
	Nature Conservancy		Delta	07/22/2004	\$658,000.00	328.8	\$2,001.22	C34	\$794,535.00	\$2,416.47
	Heritage Land Co. / Olagaray Bros PTP		Delta	04/13/2005	\$712,000.00	215.64	\$3,301.80	C34	\$843,720.00	\$3,912.63
	<b>Wing Levee Propety**</b>		Delta	11/09/2007	\$2,200,000.00	361.27	\$6,089.63	C34	\$2,436,500.00	\$6,744.26
	** SICOG, Inc. Preserve		<b>TOTAL</b>		<b>\$5,399,000.00</b>	<b>1,669.51</b>	<b>\$3,233.88</b>		<b>\$6,304,157.50</b>	<b>\$3,776.05</b>

10 comparables required for Study

Attachment 2 - SJMSCP Fee Model

2012 Fees	Acquisition Costs	Assessment & Enhancement	Management and Administration	Total	Total Rounded
Other Open Space	\$4,770.60	\$1,538.90	\$885.03	\$7,194.54	<b>\$7,195</b>
Natural/Ag Lands	\$9,541.21	\$3,077.79	\$1,752.62	\$14,371.62	<b>\$14,372</b>
Vernal Pool Grasslands	\$34,587.00	\$579.60	\$6,367.41	\$41,534.01	<b>\$41,534</b>
Vernal Pool Wetted	\$34,587.00	\$41,034.82	\$6,367.41	\$81,989.22	<b>\$81,989</b>

**Calculations:**

Table 1 **Per-Acre Land Value Summary**  
SJMSCP 2012 Fee Evaluation

Land Use		Central Zone	Primary Zone of the Delta	Southwest Zone***
Fee Title	a*	\$13,725	\$8,886	\$2,448
Row Crops/Grazing	b**	\$3,776	\$3,526	\$500
Easement Costs	a-b	\$9,949	\$5,360	\$1,000

\*based off of 7/01/07-6/30/09 Applicable Ag Sale Comparables (Table A & B) than that of the Central Zone Based on lower market rents for row crop land.  
\*\*\*based on standard easement cost of Southwest Zone of \$1,000/ac.

Table 2 **Per Acre Acquisition Cost Summary**  
SJMSCP 2012 Fee Evaluation

Land Use Category		SJMSCP Zone			Total Weighted Acquisition Cost A+B+C
		Central Zone A	Primary Zone of the Delta B	Southwest Zone C	
Easement Cost by Zone (1)	d	\$9,949	\$5,360	\$1,000	
<b>Natural Lands</b>					
Riparian					
Percent in Zone (2)	e	89%	11%	0%	
Weighted Costs (3)	d*e	\$8,854.61	\$589.60	\$0.00	<b>\$9,444.21</b>
Delta Submerged Aquatic					
Percent in Zone (2)	f	0%	100%	0%	
Weighted Costs (3)	d*f	\$0	\$5,360	\$0	<b>\$5,360</b>
Other Water's Edge					
Percent in Zone (2)	g	100%	0%	0%	
Weighted Costs (3)	d*g	\$9,949	\$0	\$0	<b>\$9,949</b>
Southwest Grasslands					
Percent in Zone (2)	h	0%	0%	100%	
Weighted Costs (3)	d*h	\$0	\$0	\$1,000	<b>\$1,000</b>
Vernal Pool Wetted (4)		n/a	n/a	n/a	<b>\$10,980</b>
Vernal Pool Grasslands (4)		n/a	n/a	n/a	<b>\$10,980</b>
<b>Agricultural Lands</b>					
Percent in Zone (2)	i	97%	3%	0%	

Attachment 2 - SJMSCP Fee Model

Weighted Costs (3)	d*i	\$9,650.53	\$160.80	\$0.00	<b>\$9,811.33</b>
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(1) See Table 2.

(2) Percent of total lands in each category assumed to be in a given zone. Based on 1996 Economic Analysis grasslands.

(4) Assumes fee title acquisition for vernal pool lands. Vernal pools fee title land costs assumed to be about 80% of average Central Zone fee title costs.

Table 3 **Total Acquisition Costs**  
SJMSCP 2012 Fee Evaluation

Preserve Types	Cost per Acre (1)	Transaction Costs (2) 5%	Total Land Acquisition Costs
Agricultural Lands	\$9,811.33	\$490.57	<b>\$10,301.90</b>
Natural Lands			
Riparian	\$9,444.21	\$472.21	<b>\$9,916.42</b>
Delta Submerged Aquatic	\$5,360.00	\$268.00	<b>\$5,628.00</b>
Other Water's Edge	\$9,949.00	\$497.45	<b>\$10,446.45</b>
Southwest Grasslands	\$1,000.00	\$50.00	<b>\$1,050.00</b>
Vernal Pool Wetted	\$10,980.00	\$549.00	<b>\$11,529.00</b>
Vernal Pool Grasslands	\$10,980.00	\$549.00	<b>\$11,529.00</b>

(1) See Table 3. Assumes easement purchases in all cases except fee title purchases for vernal pool lands.

(2) Transaction costs include biological baseline, appraisal, escrow, and survey costs.

Table 4 **Total Per-Acre Costs**  
SJMSCP 2021 Fee Evaluation

Preserve Type	Land Acquisition	% of Total Preserve Lands	Total Preserve Acres	Total Costs of Acquisition
Agricultural Lands	\$10,301.90	57%	57,635	<b>\$593,749,804.78</b>
Natural Lands				
Riparian	\$9,916.42	19%	19,185	<b>\$190,246,527.29</b>
Delta	\$5,628.00	0%	10	<b>\$56,280.00</b>
Other Water's Edge	\$10,446.45	2%	1,584	<b>\$16,547,176.80</b>
Southwest Grasslands	\$1,050.00	4%	4,146	<b>\$4,353,300.00</b>
Average of Natural/Ag Lands	\$9,749.92	82%	82,560	<b>\$804,953,088.87</b>
Vernal Pool Wetted	\$11,529.00	2%	354	<b>\$4,081,266.00</b>
Vernal Pool Grasslands	\$11,529.00	16%	17328	<b>\$199,774,512.00</b>

Table 5 **Total Preserve Costs, Breakdown by Category**

Attachment 2 - SJMSCP Fee Model

*SJMSCP 2012 Fee Evaluation*

Preserve Type	Total Preserve Acres	Acquisition Costs	
		Per Acre	Total
Vernal Pool Wetted	2,121	\$11,529.00	<b>\$24,453,009.00</b>
Vernal Pool Grasslands	15,561	\$11,529.00	<b>\$179,402,769.00</b>
Nat/Ag Lands	82,860	\$9,749.92	<b>\$807,878,063.76</b>
<b>Total</b>	<b>100,542</b>		<b>\$1,011,733,841.76</b>

Table 6 *Vernal Pool Surface and Grasslands / Acquisition Component*

*SJMSCP 2012 Fee Evaluation*

Preserve Type	Acres Converted	Acquisition Costs
<b>Vernal Pool Wetted</b>	707	
Total Cost		\$24,453,009.00
Fee per Acre		<b>\$34,587.00</b>
<b>Vernal Pool Grasslands</b>	5,187	
Total Cost		\$179,402,769.00
Fee per Acre		<b>\$34,587.00</b>

Table 7 *Nat/Ag Land and Open Space / Acquisition Component*

*SJMSCP 2012 Fee Evaluation*

Preserve Type	Land Acquisition		Total
	Land Acquisition	Transaction	
Cost associated with Nat/Ag Lands Conversion	\$767,484,160.57	\$40,393,903.19	<b>\$807,878,063.76</b>
Nat/Ag Land Conversion	65,940	65,940	<b>65,940</b>
Other Open Space Conversion	37,465	37,465	<b>37,465</b>
Multiplier for Nat/Ag Land Conversion	1	1	<b>1</b>
Multiplier for Other Open Space	0.5	0.5	<b>0.5</b>
<b>Land Acquisition Component of Nat/Ag Lands Fee</b>	<b>\$9,064.15</b>	<b>\$477.06</b>	<b>\$9,541.21</b>

Table 8 *Cat B & C Fee Component Calcs*

*SJMSCP 2012 Fee Evaluation*

Fee	% of Land Preser.	Cal CPI	
		Assessment & Enhancement	Management and Administration
		B	C
Other Open Space		\$1,538.90	\$885.03
Natural/Ag Lands	82%	\$3,077.79	\$1,752.62
Vernal Pool Grasslands	16%	\$579.60	\$6,367.41
Vernal Pool Wetted	2%	\$41,034.82	\$6,367.41

\$17.45 per acre added to Cat C in 2012 only

RESOLUTION NO. 2011-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
LODI AMENDING THE SAN JOAQUIN COUNTY MULTI-  
SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN  
DEVELOPMENT FEE SCHEDULE

=====

WHEREAS, the City Council of the City of Lodi adopted an ordinance establishing the authority for collection of a Development Fee for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) for all new developments pursuant to the SJMSCP within the City of Lodi; and

WHEREAS, a "Fee Study" dated July 16, 2001, was prepared, which analyzed and identified the costs, funding, and cost-benefit of the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan; and

WHEREAS, the purpose of the SJMSCP Development Fee is to finance the goals and objectives of the SJMSCP that include, but are not limited to, preserve land acquisition, preserve enhancement, land management, and administration that compensate for such lands lost as a result of future development in the City of Lodi and in San Joaquin County; and

WHEREAS, after considering the Fee Study and the testimony received at the public hearing, the Lodi City Council approved said report; and further found that the future development in the City of Lodi will need to compensate cumulative impacts to threatened, endangered, rare, and unlisted SJMSCP Covered Species and other wildlife and compensation for some non-wildlife related impacts to recreation, agriculture, scenic values and other beneficial Open Space uses; and

WHEREAS, an "Updated Fee Study" dated November 2, 2006, was prepared, which analyzed and identified the costs, funding, and indexing of the SJMSCP; and

WHEREAS, the SJMSCP Development Fees are divided into three categories: vernal pool habitat, natural land and agricultural habitat land, and multi-purpose open space conversion; and

WHEREAS, the SJMSCP Development Fees for these three categories will be decreased consistent with the Updated Fee Study findings for the year 2011. A table illustrating the Development Fee decreases for the three categories of land is attached hereto as Exhibit "A"; and

WHEREAS, to ensure that the SJMSCP development fees keep pace with inflation, annual adjustments, based on the method set forth in this resolution, shall be made to the fees annually; and

WHEREAS, the Updated Fee Study with the SJMSCP and the fee amendment were available for public inspection and review in the office of the City Clerk for more than ten days prior to the date of this Public Hearing.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi as follows:

1. The City Council finds and declares that the purposes and uses of the Development Fee, and the determination of the reasonable relationship between the fees' uses and the type of development project on which the fees are imposed, are all established in Ordinance 1707, and remain valid, and the City Council therefore adopts such determinations.
2. The City Council finds and declares that since adoption of Ordinance 1707, the cost of land has decreased in San Joaquin County; and that in order to maintain the reasonable relationship established by Ordinance 1707, it is necessary to decrease the Development Fee for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan.
3. The Development Fee for natural lands, agricultural land, vernal pool habitat and multi-purpose open space conversion shall be consistent with the table identified in Exhibit "A" and attached hereto.
4. The Fee provided in this resolution shall be effective on January 1, 2012.

NOW, THEREFORE, BE IT DETERMINED AND RESOLVED that the City of Lodi City Council hereby approves the proposed Habitat Conservation and Open Space fee adjustment.

Dated: November 2, 2011

=====

I hereby certify that Resolution No. 2011-\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 2, 2011, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk



SJCOG, Inc.

**EXHIBIT A**

555 East Weber Avenue • Stockton, CA 95202 • (209) 235-0600 • FAX (209) 235-0438

***San Joaquin County Multi-Species Habitat Conservation & Open Space Plan (SJMSCP)***

Chuck Winn  
CHAIR

Ken Vogel  
VICE CHAIR

Andrew T. Chesley  
PRESIDENT

Member Agencies  
CITIES OF  
ESCALON,  
LATHROP,  
LODI,  
MANTECA,  
RIPON,  
STOCKTON,  
TRACY,  
AND  
THE COUNTY OF  
SAN JOAQUIN

**2012 Updated Habitat Fees\***

Habitat Type	Fee Per Acre
Multi-Purpose Open Space	\$7,195
Natural	\$ 14,372
Agriculture	\$ 14,372
Vernal Pool - uplands	\$ 41,534
Vernal Pool - wetted	\$ 81,989

\* Effective January 1, 2012 – December 31, 2012

**2012 Endowment Fees with In-lieu Land\*\***

Type of Preserve	Enhancement Cost/acre	Land Management Cost/acre	TOTAL PER ACRE ENDOWMENT
<b>Agricultural Habitat Lands</b>	\$3,077.79	\$1,752.62	<b>\$4,830.41</b>
<b>Natural Lands</b>	\$3,077.79	\$1,752.62	<b>\$4,830.41</b>
<b>Vernal Pool Habitat</b>			
<i>Vernal Pool Grasslands</i>	\$579.60	\$6,367.41	<b>\$6,947.01</b>
<i>Vernal Pool Wetted</i>	\$41,034.83	\$6,367.41	<b>\$47,402.23</b>

\*\* Effective January 1, 2012 – December 31, 2012 in lieu of fees to be used as the endowment for the dedicated land preserves (Category B + C)

**VELB Mitigation**

A special fee category shall apply when removal of elderberries occurs. The fee shall be paid to SJCOG, Inc. or a VELB mitigation bank approved by the Permitting Agencies. The current fee, as established in the VELB Conservation Fund Account managed by the Center for Natural Lands Management, and approved by the USFWS, is \$1,800 per VELB Unit (one unit= one stem over 1" in diameter at ground level which is removed). Fees shall be established by the JPA during preconstruction surveys (i.e., counts of stems to be removed with and without exit holes shall be completed during preconstruction surveys) and shall be paid to the JPA prior to ground disturbance or stem removal, whichever comes first.



*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 ADOPTION OF A RESOLUTION SETTING THE SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN DEVELOPMENT FEES FOR 2012

**PUBLISH DATE:** SATURDAY, OCTOBER 22, 2011

**LEGAL AD**

**TEAR SHEETS WANTED:** One (1) please

**SEND AFFIDAVIT AND BILL TO:** RANDI JOHL, CITY CLERK  
**LNS ACCT. #0510052** City of Lodi  
P.O. Box 3006  
Lodi, CA 95241-1910

**DATED:** THURSDAY, OCTOBER 20, 2011

**ORDERED BY:** RANDI JOHL  
CITY CLERK

*Jennifer M. Robison*  
JENNIFER M. ROBISON, CMC  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MARIA BECERRA  
ADMINISTRATIVE CLERK

**Verify Appearance of this Legal in the Newspaper – Copy to File**

LNS Faxed to the Sentinel at 369-1084 at \_\_\_\_\_ (time) on \_\_\_\_\_ (date) \_\_\_\_\_ (pages)  
Phoned to confirm receipt of all pages at \_\_\_\_\_ (time) JMR CF MB (initials)



## DECLARATION OF POSTING

### **PUBLIC HEARING TO CONSIDER ADOPTION OF A RESOLUTION SETTING THE SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN DEVELOPMENT FEES FOR 2012**

On Thursday, October 20, 2011, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider adoption of a resolution setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees for 2012 (attached and marked as Exhibit A) was posted at the following locations:

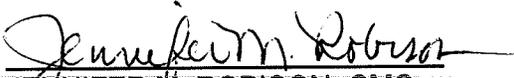
Lodi Public Library  
Lodi City Clerk's Office  
Lodi City Hall Lobby  
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 20, 2011, at Lodi, California.

ORDERED BY:

**RANDI JOHL  
CITY CLERK**

  
**JENNIFER M. ROBISON, CMC  
ASSISTANT CITY CLERK**

\_\_\_\_\_  
**MARIA BECERRA  
ADMINISTRATIVE CLERK**



# CITY OF LODI

Carnegie Forum  
305 West Pine Street, Lodi

## NOTICE OF PUBLIC HEARING

Date: November 2, 2011

Time: 7:00 p.m.

For information regarding this notice please contact:

**Randi Johl**

City Clerk

Telephone: (209) 333-6702

**EXHIBIT A**

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, November 2, 2011**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following item:

- a) **Adoption of a resolution setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees for 2012.**

Information regarding this item may be obtained in the Community Development Department, 221 West Pine Street, Lodi, (209) 333-6711. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2<sup>nd</sup> Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

Randi Johl  
City Clerk

Dated: **October 19, 2011**

Approved as to form:

D. Stephen Schwabauer  
City Attorney



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Appointments to Lodi Animal Commission and Personnel Board of Review and Post for Remaining Vacancy on the Personnel Board of Review

**MEETING DATE:** November 2, 2011

**PREPARED BY:** City Clerk

**RECOMMENDED ACTION:** Concur with the Mayor’s recommended appointments to the Lodi Animal Commission and Personnel Board of Review and direct the City Clerk to post for the remaining vacancy on the Personnel Board of Review.

**BACKGROUND INFORMATION:** Previously, the City Council directed the City Clerk to post for vacancies on various boards and commissions. The Mayor reviewed the applications, conducted interviews, and recommends that the City Council concur with the following appointments. Further, there remains one vacancy on the Personnel Board of Review, and it is recommended that the City Council direct the City Clerk to re-post for the vacancy shown below.

**APPOINTMENTS:**

**Lodi Animal Advisory Commission**

Rebecca Hernandez Term to expire December 31, 2013

NOTE: One applicant (one new application); posting ordered 7/20/11 & 10/5/11; deadline open until filled

**Personnel Board of Review**

Ed Miller Term to expire January 1, 2014

Bill Russell Term to expire January 1, 2014

Jim Schweickardt Term to expire January 1, 2014

Floyd Williams Term to expire January 1, 2015

NOTE: Six applicants (four new applications and two on file); posting ordered 5/18/11 & 9/7/11; deadline 10/10/11

**POSTINGS:**

**Personnel Board of Review**

One Vacancy Term to expire January 1, 2015

Government Code Section 54970 et seq. requires that the City Clerk post for vacancies to allow citizens interested in serving to submit an application.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** Not applicable.

RJ/JMR

\_\_\_\_\_  
Randi Johl, City Clerk

APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Approve Lodi Tourism Business Improvement District (LTBID) 2012 Annual Report, Adopt Resolution of Intention to Levy Annual Assessment, and Set a Public Hearing for November 16, 2011 to Consider the Proposed Assessment

**MEETING DATE:** November 2, 2011

**PREPARED BY:** Deputy City Manager

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**RECOMMENDED ACTION:** Approve Lodi Tourism Business Improvement District (LTBID) 2012 Annual Report, adopt Resolution of Intention to Levy Annual Assessment, and set a public hearing for November 16, 2011 to consider the proposed assessment.

**BACKGROUND INFORMATION:** Pursuant to Lodi Municipal Code Chapter 12.07 and Streets and Highways Code Section 35600 et seq., the LTBID membership board is required to present an Annual Report (Exhibit A) for the City Council's review and approval. This must be done prior to the public hearing and adoption of a resolution confirming the 2012 Annual Report and levy of assessment. The City collects an administrative fee of 5 percent from the LTBID assessment. Representatives of the LTBID will be in attendance to make a presentation. The levy of the annual assessment will be discussed at a public hearing on November 16, 2011.

The City provides additional funding to Visit Lodi! under a Memorandum of Understanding (MOU) approved by the City Council on August 19, 2009. The MOU provides additional funding at a rate of 19 percent of the Transient Occupancy Tax (TOT) collections. The MOU covers the period of July 1, 2009 through June 30, 2014 and includes a provision for an annual report.

Nancy Beckman, President and CEO of Visit Lodi!, will present the Annual Report to the Council.

**FISCAL IMPACT:** Funding for Visit Lodi! generates additional funding for local merchants and the City as tourism dollars are spent locally.

**FUNDING:** \$76,000 is included in the FY 2011/12 City budget.

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Jordan Ayers  
Deputy City Manager

Attachment

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager



October 21, 2011

Randi Johl  
City of Lodi  
221 W. Pine St.  
Lodi, CA 95240

Dear Ms. Johl,

Enclosed please find the 2012 Annual Report for the Lodi Tourism Business Improvement District (LTBID) which was established October 6, 2004 by City Ordinance 1753 and was amended 11/19/2008 by Resolution No. 2008-229.

Enclosed you will find a 2012 work plan, budget and method of assessment as required by the California Streets and Highways Code #33650. Please note there are no suggested changes to the District at this time.

I plan to make a presentation to the Council at the November 2, 2011 City Council meeting. Please feel free to call me with any questions you may have.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Beekman". The signature is written in black ink and extends across the width of the page.

Nancy Beekman  
President and CEO

## 2012 Lodi Tourism Business Improvement District Annual Report

Assessment Funding Purpose: To administer marketing programs to promote the City of Lodi as a tourism destination and to fund projects, programs, and activities that benefit hotels within the Business Improvement District boundaries

Method of Assessment: The LTBID includes all hotels/lodging facilities within the City of Lodi as well as two properties currently located at the intersection of Kettleman Ln. and I-5. Each lodging facility within the district shall be assessed 3% of the gross room rental revenue. Rentals (stays) lasting over 30 days are not subject to the assessment. The assessment is levied annual and collected quarterly.

### 2012 Work Plan (See Attached)

For the purpose of the Annual Report presentation, we have broken our 2012 work plan into 6 project areas:

- Marketing/Promotional Activities
- Research
- Customer Service & Hospitality
- Events
- Communications
- Committees

### 2012 Budget

<b>G/L Account</b>	<b>2012</b>
Income - BID	\$252,252.00
Income-City of Lodi	\$84,000.00
Income-Community Book	\$3,500.00
Income-Taste of Lodi	\$49,500.00
Income - Tourism Lunch	\$6,500.00
Income-postage donations	\$15.00
Income - Ares booking engine	\$25.00
Income-website advertising	\$500.00
Attraction Map - dining ads	\$1,000.00
<b>Total Income</b>	<b>\$397,292.00</b>
Advertising	\$38,492.00
Automobile Expense	\$4,064.00
Bank Service Charges	\$450.00
Contingencies/Unexpected Opportunities	\$4,935.00
Dues & Subscriptions	\$3,505.00
Education/Conferences	\$875.00
Equipment Lease	\$3,760.00
Event Expenses - Taste of Lodi	\$49,500.00
Event Expenses - Tourism Lunch	\$6,152.00
Gifts	\$200.00

Hospitality/Meals	\$1,465.00
<u>Insurance</u>	
Directors & Officers	\$1,600.00
Liability	\$588.00
Work Comp	\$1,225.00
Labor - Contract	\$1,000.00
<u>Office Expenses</u>	
Equipment	\$1,000.00
Maintenance	\$2,200.00
Supplies	\$1,309.00
<u>Personnel</u>	
Salaries	\$145,320.00
Benefits	\$10,464.00
Postage & Delivery	\$2,413.00
Printing & Reproduction	\$1,175.00
<u>Professional Fees</u>	
Accounting	\$3,580.00
Administration-City of Lodi	\$12,613.00
Legal Fees	\$250.00
Promotion	\$48,615.00
Rent	\$18,776.00
<u>Repairs</u>	
Computer Repairs	\$800.00
<u>Tax &amp; License</u>	
Payroll	\$12,250.00
Property	\$2,362.00
Licenses	\$70.00
Technology	\$3,780.00
Telephone	\$1,900.00
Trade Shows	\$5,620.00
<u>Travel &amp; Entertainment</u>	
Meals	\$790.00
Travel	\$2,094.00
Utilities - Gas & Electric	\$2,100.00
<b>Total Expense</b>	<b>\$397,292.00</b>
<b>Net Profit (Loss)</b>	<b>\$0.00</b>

**Visit Lodi!**  
**Conference & Visitors Bureau**  
**2012 Work Plan**

## **Marketing/Promotion Activities**

### **Leisure Market**

Targeted Advertising: Ads will be placed in designated target markets including the greater Sacramento, greater Bay Area and Northern California region to promote Lodi. Ads will be both hard copy and digital in nature and will include a response measure for tracking purposes wherever possible.

Trade Shows: Visit Lodi! will have a booth at the 2012 Bay Area Travel Show and Treasure Island Winefest. Staff will actively promote and recruit partners to participate as vendors where possible as a way to have a greater presence at the shows while increasing visibility and promotional opportunity for Lodi. All leads will be tracked and a database of contacts will be maintained for future marketing opportunities.

Visit Lodi! will partner with the Central Valley Tourism Association to promote and represent Lodi at the Los Angeles Times Travel Show. In addition, Visit Lodi! will research promotional opportunities at various wine shows in the Northern California region.

LodiView: Visit Lodi! will continue to offer LodiView as a monthly e-publication highlighting Lodi events and activities of interest to the tourist. LodiView distribution is currently at over 4,000 subscribers.

Quarterly e-postcards: In 2012 Visit Lodi! will produce quarterly e-postcards that will be mailed to our marketing database. Each postcard will feature a call to action and will give recipients the ability to click through to the Visit Lodi! website for special offers and other Lodi visitor information.

Social Media: Staff will utilize social media (Facebook & Twitter) a minimum of twice a week to promote Lodi events and businesses. Staff proposes to utilize contests and give-a-ways as a way to increase followers.

### **Group Market**

Tradeshows: Visit Lodi! will attend three sales shows created for the group market: The California Society of Association Executives (Cal SAE), the Northern California Chapter of Meeting Professionals International Annual Expo, and Society of Government Meeting Planners (SGMP). All sales leads will be followed up on and added to our database for future marketing opportunities.

Visit Lodi! will partner with the Central Valley Tourism Association to promote and represent Lodi at POW WOW and the International Tour Management Institute.

Fam Tours: Visit Lodi! Group Sales Manager will host quarterly Fam Tours for meeting planners and group decision makers as a tool to showcase Lodi as a group meeting destination.

Direct Mail Campaign: Quarterly fliers/brochures will be sent to group sales decision makers to reinforce the vision of Lodi as a go-to destination for meetings/conferences/events. Quarterly mailers will keep Lodi top-of-mind for meeting planners, association leaders and social/fraternal groups.

Local Host Program: In 2012, the Group Sales Manager will make 12 presentations to local social groups and service clubs to promote the Host-at-Home Program. When appropriate, the Host-at-Home Award will be given out at the Annual Tourism Luncheon as a way to generate group sales leads by 1.) reminding citizens and local leaders as to the benefits of bringing their groups to Lodi, and 2.) recognizing individuals who participate in the program by referring groups to Visit Lodi! sales staff.

Sales Calls: A minimum of two days a month sales staff will make face-to-face sales appointments in the Northern California and greater Bay Area region to sell group decision makers on bringing their group events and meetings to Lodi. Additionally, sales staff will utilize cold calls to meeting planners and association leaders as a way to maintain visibility and continually educate potential clients to the value of Lodi as a meeting destination.

Wine & Dine: New this year, Visit Lodi! will hold two out of the area Wine & Dine social events for group decision makers as an alternative to the FAM Tour. These events will provide an opportunity for Visit Lodi! staff to promote Lodi to hard-to-reach decision makers.

### Research

Lodi Brand Print Program: In 2012 Visit Lodi! working with North Star Destination Strategies, will develop a Lodi Brand Print Strategy. The key component of the brand print strategy is an extensive research component that will at its conclusion provide a comprehensive demographic profile of the Lodi visitor as well as a brand platform statement which will guide future marketing activities.

## Customer Service/Hospitality

Visitor Information Packets: Visitor information will be distributed on request via email or through access on our website.

Website: The goal of the Visit Lodi! website is twofold: 1.) To educate and create awareness of Lodi as a visitor destination and to 2.) Provide the highest degree of customer service by ensuring that visitor information is complete, up-to-date and easily accessible. In 2012 Visit Lodi! will redesign their website to reflect the marketing direction suggested by the Lodi Brand Print program.

Visitor Publications: Visit Lodi! will develop and maintain a number of publications geared to increase availability of visitor information.

- **Lodi Visitor Guide:** An updated Lodi Visitor Guide will be presented for distribution in the Summer of 2012. The book which is designed to showcase Lodi to potential visitors and tourists is currently distributed to hotels, wineries, venues and other tourist attractions. It is one of the main marketing pieces for Visit Lodi! and is mailed upon request and is distributed at travel trade and sales shows. Consumers will be able to access the guide on-line and advertisers in the guide will have the ability to change their on-line ads 4 times throughout the year giving them flexibility in their advertising campaigns.
- **Festival & Events Calendar:** Visit Lodi! will produce an in-house designed/printed Festival & Events Calendar. The Calendar, produced quarterly, is a quick reference to events in the Lodi area and is distributed at the hotels, wineries, attractions, tradeshow, and included in visitor information packets.
- **Visitor Attraction Map & Guide:** The Visitor Attraction Map & Guide is distributed to hotels, wineries and attractions for their use and will be sent out to visitors upon request as well as utilized as give-a-ways at tradeshow. The map is designed to fold into a brochure so that it can be used in a card rack or as a self-mailer.
- **Meeting Facilities Brochure:** The Meeting Facilities Brochure is designed to provide information to potential consumers on event facilities and will be utilized heavily by Sales staff when promoting local venues to the group market.

Hotel Brochure Distribution: Visit Lodi! staff will provide a monthly brochure distribution service to all Lodi hotels, wineries and attractions. The goal is to ensure that visitor information is widely available and easily accessible to guests.

## **Events**

**Tourism Luncheon:** May 2012, Visit Lodi! will host the 5<sup>th</sup> Annual Tourism Luncheon. The Luncheon is designed to give Visit Lodi! the opportunity to promote their programs and services to the greater Lodi community.

**Taste of Lodi:** Visit Lodi! Board and staff will determine the feasibility of hosting a 2012 Taste of Lodi event. Key considerations will be economic viability and staffing resources.

## **Communications**

**Newsletter:** In 2012 Visit Lodi! will be moving to a digital format on their newsletter. In addition, we will be moving from a Bi-annual publication to a quarterly publication. The new publication will feature new business openings, events and other items of interest to those vested in the tourism industry as well as information on programs and services offered by the Visit Lodi! Conference & Visitors Bureau. The newsletter will be distributed to local business leaders and elected officials.

## **Committees**

**Hotel Council:** The Visit Lodi! Hotel Council meets quarterly to exchange information about Lodi events, promotions, and programs and services.

**Destination Lodi:** The Destination Lodi Committee which was started in 2011 is designed to bring together diverse industries vested in the Lodi tourism movement to enhance cooperation between industries as well as to increase cross-marketing opportunities.

RESOLUTION NO. 2011-\_\_\_\_\_

A RESOLUTION OF INTENTION TO LEVY ANNUAL  
ASSESSMENT FOR LODI TOURISM BUSINESS  
IMPROVEMENT DISTRICT, ESTABLISHING PUBLIC  
HEARING DATE, AND APPROVING ANNUAL REPORT

=====

WHEREAS, Lodi Tourism Business Improvement District was established December 20, 2004, by City Council Ordinance 1753, and as amended by Ordinances 1756 and 1818; and

WHEREAS, the Annual Report as required by Streets and Highways Code Section 36533 has been submitted to the Board of Directors of said improvement district.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that it does hereby resolve, determine and finds as follows:

1. Approves the Annual Report as submitted, said report being on file with the City Clerk.
2. Establishes November 16, 2011, in the City Council Chambers, Carnegie Forum, 305 West Pine Street, Lodi, California, at 7:00 p.m., or as soon thereafter as possible, as the date, place and time to hold the public hearing.
3. It is the intention of the City Council to levy and collect assessments within the Lodi Tourism Business Improvement District for the calendar year 2012 (the District's fiscal year).
4. The proceeds from the Lodi Tourism Business Improvement District assessment shall be used to administer marketing programs to promote the City of Lodi as a tourism destination and to fund projects, programs and activities that benefit hotels within the City of Lodi. The boundaries of the Lodi Tourism Business Improvement District shall be the boundaries of the City of Lodi and County Service Area #31 (Flag City). Refer to the report on file with the Lodi City Clerk's office for a full and detailed description of the improvements and activities, boundaries and proposed assessments for the 2012 fiscal year.
5. At the time of the public hearing, written and oral protests may be made. The form and manner of protests shall comply with Streets and Highways Code Sections 36524 and 36525.

Dated: November 2, 2011

=====

I hereby certify that Resolution No. 2011-\_\_\_\_\_ as passed and adopted by the City Council of the City of Lodi in a regular meeting held November 2, 2011, by the following votes:

AYES: COUNCIL MEMBERS –  
NOES: COUNCIL MEMBERS –  
ABSENT: COUNCIL MEMBERS –  
ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk

2011-\_\_\_\_\_



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Ordinance No. 1853 Entitled, "An Ordinance of the Lodi City Council Amending Chapter 13.20 – Electrical Service – by Repealing and Reenacting Section 13.20.225, 'Schedule NEM – Net Energy Metering Rider,' and Section 13.20.227, 'Schedule CEM – Co-Energy Metering Rider'"

**MEETING DATE:** November 2, 2011

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1853.

**BACKGROUND INFORMATION:** Ordinance No. 1853 entitled, "An Ordinance of the Lodi City Council Amending Chapter 13.20 – Electrical Service – by Repealing and Reenacting Section 13.20.225, 'Schedule NEM – Net Energy Metering Rider,' and Section 13.20.227, 'Schedule CEM – Co-Energy Metering Rider,'" was introduced at the regular City Council meeting of October 19, 2011.

**ADOPTION:** With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. **Cal. Gov't Code § 36934.**

Ordinances take effect 30 days after their final passage. **Cal. Gov't Code § 36937.**  
This ordinance has been approved as to form by the City Attorney.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None required.

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Randi Johl  
City Clerk

RJ/jmr  
Attachment

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APPROVED: \_\_\_\_\_  
Konradt Bartlam, City Manager

ORDINANCE NO. 1853

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING  
CHAPTER 13.20 – ELECTRICAL SERVICE – BY REPEALING  
AND REENACTING SECTION 13.20.225, “SCHEDULE NEM –  
NET ENERGY METERING RIDER,” AND SECTION 13.20.227,  
“SCHEDULE CEM – CO-ENERGY METERING RIDER”

=====

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Section 13.20.225, “Schedule NEM – Net Energy Metering Rider,” is hereby repealed and reenacted to read as follows:

- A. **PURPOSE:** The purpose of this rider is to establish rates, terms, and conditions for providing net metering services to customers generating electricity using solar and wind facilities of 1MW or less in size. This rider complies with California State legislation requiring every electric utility in the state, including municipally-owned utilities, to develop a standard contract or tariff providing for net energy metering, as defined below.
- B. **APPLICABILITY:** This schedule is applicable to service for customers where a part or all of the electrical requirements of the customer can be supplied from a solar or wind power production source owned and operated by the customer (customer-generated). Availability of this schedule to eligible customer-generators will be on a first-come, first-served basis and will be available until such time the total rated generating capacity used by eligible customer-generators equals five percent of the City of Lodi aggregate customer annual peak demand.

The solar or wind generation source must: 1) have a capacity of 1 MW or less, 2) be located on the customer-generator’s premises, 3) be connected for parallel operation with Lodi’s distribution facilities, and 4) be intended for the sole purpose of offsetting a part or all of the customer-generator’s own electrical requirements. In no case shall the power or energy generated by the customer-owned solar or wind source be available for resale, except as specified under this rider.

Additional terms and conditions for service, including terms of interconnection and parallel operation, are specified in a customer-specific Electrical Interconnection and Net Energy Metering Payment Agreement.

- C. **RATES:** Charges for electricity supplied by the City will be based on metered usage in accordance with Special Conditions (3) and (5) below. Rates charged under this schedule will be in accordance with the eligible customer-generator’s otherwise applicable rate schedule. Public Benefit charges and monthly customer charges shall not be by-passable.

D. SPECIAL CONDITIONS:

1. Other Agreements: A signed Electrical Interconnection and Net Metering Payment Agreement between the customer-generator and the City is required for service under this schedule.
2. Metering Equipment: Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. If customer's existing electrical meter is not capable of measuring the flow of electricity in two directions, the customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is capable of measuring electricity in both directions.

Co-Energy Metering customers transferred to Net Metering pursuant to Lodi Municipal Code 13.20.227, may remain on the dual meter system. Net Energy Metering customers, at their election may opt for the dual meter system.

3. Net Energy Metering and Billing: Net Energy is defined as measuring the difference between the electricity supplied by the City through the electric grid to the eligible customer-generator and electricity generated by an eligible customer-generator and fed back into the electric grid over a 12-month period.

In the event that the electricity supplied by the City during the 12-month period exceeds the electricity generated by the eligible customer-generator during the same period, the eligible customer is a net electricity consumer and the City shall bill the customer for the net consumption during the 12-month period based on the retail price per kilowatt-hour for eligible customer-generator's rate class over the same period.

The City shall provide the customer-generator with net electricity consumption information on each regular bill. That information shall include the current amount owed to the City for the net electricity consumed. Customer-generator may exercise the option to pay monthly for the net energy consumed, but in any event shall be responsible for any payments due at the end of each 12-month period.

4. Attributes: Any Capacity Attributes or Environmental Attributes associated with the renewable energy produced by the customer-generator at sites subject to this schedule shall belong to the City with the sole exception of Renewable Energy Credits for solar and wind generation up to the amount of on-site consumption. Capacity Attributes include, but are not limited to, System Resource Adequacy Capacity and Local Resource Adequacy Capacity, if any. Environmental Attributes include, but are not limited to, Renewable Portfolio Standard recognition, Renewable Energy Credits, Greenhouse Gas Credits, and Emission Reduction Credits, if any.

5. Excess Energy: Net energy metering will be administered on an annualized basis, beginning with the month of interconnection of the customer's generating system with the City's electrical system. Electric solar and wind generation production may result in a dollar credit carrying forward to the next billing period. If a credit accumulation results in a net customer-owned generation credit at the end of the annualized year, unused dollar credits will be set to zero and not be carried into the new annualized year unless the customer-generator affirmatively elects to be paid for such excess. If the customer-generator so elects, the City shall either pay the customer-generator or credit the customer generator's account for such excess at the Baseline Energy Cost rate specified in Schedule ECA plus the Energy Cost Adjustment rate averaged for the billing periods with excess generation.
6. Rules and Regulations: Other conditions specified in the City of Lodi Electric Utility Department's Rules, Regulations and Engineering Standards shall apply to this electric rate schedule.

SECTION 2. Lodi Municipal Code Section 13.20.227, "Schedule CEM – Co-Energy Metering Rider," is hereby repealed and reenacted to read as follows:

13.20.227 – Conversion of Prior Schedule CEM – Co-Energy Metering Rider:

A. On the effective date of this Ordinance, customer generators on the City's prior Schedule CEM Co-Metering Rider will be converted to the City's Schedule NEM-Net Energy Metering Rider. In calendar year 2011, the annual Net Energy bill as provided in Lodi Municipal Code Section 13.20.225(D)(3), shall be calculated retroactive to January 1, 2011, and the annual Excess Energy credit or payment (if any) shall be calculated retroactive to January 1, 2011.

SECTION 3. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 4. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 5. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 6. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

SECTION 7. The amended Schedules referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after January 1, 2012, or the first

date allowable under State law.

Approved this 2<sup>nd</sup> day of November, 2011

\_\_\_\_\_  
BOB JOHNSON  
MAYOR

ATTEST:

RANDI JOHL  
City Clerk

State of California  
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1853 was introduced at a regular meeting of the City Council of the City of Lodi held October 19, 2011, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held November 2, 2011, by the following vote:

AYES:           COUNCIL MEMBERS –  
NOES:           COUNCIL MEMBERS –  
ABSENT:        COUNCIL MEMBERS –  
ABSTAIN:       COUNCIL MEMBERS –

I further certify that Ordinance No. 1853 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

RANDI JOHL  
City Clerk

Approved to Form:

D. STEPHEN SCHWABAUER  
City Attorney



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Ordinance No. 1854 Entitled, “An Ordinance of the City Council of the City of Lodi Amending Lodi Municipal Code Title 17 – Zoning – Chapter 17.57, ‘General Regulations and Exceptions,’ by Adding Section 17.57.200, ‘Interim Regulations for Mixed Use Designations”

**MEETING DATE:** November 2, 2011

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1854.

**BACKGROUND INFORMATION:** Ordinance No. 1854 entitled, “An Ordinance of the City Council of the City of Lodi Amending Lodi Municipal Code Title 17 – Zoning – Chapter 17.57, ‘General Regulations and Exceptions,’ by Adding Section 17.57.200, ‘Interim Regulations for Mixed Use Designations,” was introduced at the regular City Council meeting of October 19, 2011.

**ADOPTION:** With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. **Cal. Gov’t Code § 36934.**

Ordinances take effect 30 days after their final passage. **Cal. Gov’t Code § 36937.**

This ordinance has been approved as to form by the City Attorney.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None required.

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Randi Johl  
City Clerk

RJ/jmr  
Attachment

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**APPROVED:** \_\_\_\_\_  
Konradt Bartlam, City Manager

ORDINANCE NO. 1854

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI  
AMENDING LODI MUNICIPAL CODE TITLE 17 – ZONING – CHAPTER  
17.57, “GENERAL REGULATIONS AND EXCEPTIONS,” BY ADDING  
SECTION 17.57.200, “INTERIM REGULATIONS FOR MIXED USE  
DESIGNATIONS”

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BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

Section 1. Lodi Municipal Code Title 17 – Zoning – Chapter 17.57, “General Regulations and Exceptions,” is hereby amended by adding Section 17.57.200 and shall read as follows:

**17.57.200 Interim Regulations For Mixed Use Designations**

General Plan Land Use Classification	Residential Density (du/ac) (from the General Plan)	Corresponding Zoning District (other development standards)
Downtown Mixed Use	8-35	C-2
Mixed Use Corridor	2-35	C-1
Mixed Use Center	8-35	C-1

Section 2 - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

Section 4. This ordinance shall be published one time in the “Lodi News Sentinel,” a daily newspaper of general circulation printed and published in the City of Lodi, and shall be in force and take effect 30 days from and after its passage and approval.

Approved this 2<sup>nd</sup> day of November, 2011

\_\_\_\_\_  
BOB JOHNSON  
Mayor

Attest:

\_\_\_\_\_  
RANDI JOHL  
City Clerk

State of California  
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1854 was introduced at a regular meeting of the City Council of the City of Lodi held October 19, 2011, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held November 2, 2011, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. 1854 was approved and signed by the Mayor of the date of its passage and the same has been published pursuant to law.

Randi Johl  
City Clerk

Approved as to Form:

D. STEPHEN SCHWABAUER  
City Attorney