

Call To Order

The regular council meeting was called to order at 6:00 p.m. by Mayor Frith. Councilors Arnold, Bottorff and Sheppard were present. Vice Mayor Thompson arrived at 6:05 p.m. Staff present: City Administrator Pete Carr, City Attorney Greg Einhorn, City Planner Scott Friend and City Clerk Roben Dewsnup.

1. **COMMUNITY PARTICIPATION:** Mayor Frith read a notice for Mary Frith, who was unable to attend the meeting, regarding the BCAV Fundraiser Dinner scheduled for April 16, 2011.

City Administrator Pete Carr introduced Petra Tica who was working on the bicycle plan for the City of Biggs as part of her internship.

2. **PUBLIC HEARING CANCELED: ORDINANCE TO ADOPT A NEW CHAPTER IN TITLE 12 TITLED WATER EFFICIENT LANDSCAPE ORDINANCE.**

City Planner Scott Friend stated this item would need more time to complete.

3. **Discussion/Action: *Truck Routes***

Mr. Carr stated he was asking the council to approve the truck route changes. The boundaries on the map have not been updated yet. Second Street from E Street to B Street had been eliminated as a truck route as well as Ninth Street from B Street to Bannock. The southern portion of Eighth Street had been eliminated due to that portion of the street being deeded to SunWest Milling a few years ago.

Councilmember Arnold was concerned about the map not being updated yet. Vice Mayor Thompson suggested adopting the ordinance pending an updated map. Mr. Friend could have an updated map by the next meeting.

Motion for introduction and first reading of Ordinance No. 391 by reading of title only.

ORDINANCE NO. 391 "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIGGS ADDING CHAPTER 8.50 TO THE BIGGS MUNICIPAL CODE (TRUCK ROUTES) AND DELETING PORTIONS OF CHAPTER 8.35" (Pending correction to the map). (Thompson/Bottorff, MCU)

4. **CONSENT CALENDAR:**

- A. Approval of Council Minutes for Regular Meeting of February 28, 2011.
- B. Approval of warrants: #25080 - 25139; #7871-7889; Z00415 - Z00428 for month of February 2011 in the amount of \$230,246.52.
- C. Acknowledge receipt of Monthly Cash and Investments Report for February 2011.
- D. Acknowledge receipt of Police Department Report for February 2011.
- E. Acknowledge receipt of Gridley-Biggs Animal Control Officer Report for February 2011.
- F. Acknowledge receipt of Biggs Fire Department Report for February 2011.
- G. Second Reading and Adoption of Ordinance No. 390 by reading of title only **"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIGGS AMENDING CHAPTER 10.30 OF THE BIGGS MUNICIPAL CODE"**. (Utility Charges-Commercial Property)
- H. Adopt A Proclamation **"PROCLAIMING APRIL AS CHILD ABUSE PREVENTION MONTH"**.
- I. Approval of request to waive the Biggs Community Hall rental fee for the Gaylord Stopplemore Benefit Dinner.

- J. Approve the Geothermal Project Operating Agreement and authorize city administrator to execute on behalf of Biggs.
- K. Adopt Resolution No. 2011-07, **“RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS APPROVING THE DEPARTMENT OF FORESTRY AND FIRE PROTECTION AGREEMENT (2CA01444) FOR SERVICES FROM JULY 1, 2010 TO JUNE 30, 2011”**.

Vice Mayor Thompson asked to remove items D and E from the consent calendar and Mayor Frith also asked to remove item A from the consent calendar.

Motion/Second to adopt the consent calendar with items A, D and E removed.
(Thompson/Frith, MCU)

Vice Mayor Thompson pointed out item A, section 5.A.3. second paragraph, first line, the word option should be opinion and there was a period missing on page 13 at the end of the first paragraph. Mayor Frith stated on page 14, number 4, he was eluding to the safety recognition part of the program rather than the safety program.

Vice Mayor Thompson stated in item D there was a contradiction between the police report and the animal control report about a dog bite. Police reported one dog bite and animal control reported no dog bites. Mayor Frith noted the inconsistency and suggested contacting the reporting agencies.

Motion/Second to adopt items A, D and E with the noted changes. (Frith/Thompson, MCU)

5. DEPARTMENT REPORTS:

A. Planning:

Informational: City Planner Scott Friend reviewed the Department Activity Report – February 2011 / March 2011 included in the agenda packet.

Mr. Friend updated council on Mrs. Burke-Trent’s code enforcement case located at 3069 Eighth Street. Progress has not been made on this case and the sixty day extension has expired. The property owner cannot resolve this issue due to her financial situation. Staff and the city attorney are looking into options and asked council for an additional 30 days to work on this matter.

Mayor Frith suggested finding the least expensive route to mitigate the problem.

Councilmember Bottorff asked Mr. Friend if he could provide a code enforcement activity report so council can see what code enforcement issues have been addressed.

Staff would bring this item back for discussion at a later meeting.

B. Engineering:

Mr. Carr reviewed the Engineer’s Activity Report and Project Updates included in the agenda packet.

Since the staff report was printed, engineering staff was shown the score card for the CDBG loan application. The City of Biggs fell short on benefit points, need points, and poverty points.

Councilmember Bottorff asked about the manganese treatment alternatives being researched. Mr. Carr said engineering staff was looking into a grant to see what it would take to overcome this problem.

- C. Public Safety. Mayor Frith said a meeting had been set for March 29th to meet with Gridley to discuss the police contract.

- D. Flood Control. Councilmember Bottorff stated several options to save money without compromising the levees had been discussed at the recent Sutter-Butte Flood Control Agency Meeting. These options must be approved by the state. Core drilling is taking place to find the weakest points of the levee.

Councilmember Bottorff asked Mr. Einhorn if he could meet with three other members of the Sutter-Butte Flood Control Agency to discuss levee concerns without violating the Brown Act. Mr. Einhorn stated it would be better to have a discussion with the whole body and avoid the appearance of a violation.

Vice Mayor Thompson stated Robert Nevins was interested in serving on the Sutter-Butte Flood Control Citizens Committee.

- E. Public Works. Mayor Frith stated a power pole broke with the high winds this weekend. The city has been proactive with trimming trees and upgrading substations to avoid power outages.
- F. Electric. Mayor Frith stated he and Mr. Carr would be attending an NCPA workshop tomorrow. Lodi Energy Center will go on line in 2012 which will help eliminate some of the purchases the city makes on the open market. This will help stabilize costs.
- G. BCAG/Air Quality. Vice Mayor Thompson stated the BCAG and Air Quality meetings were scheduled this Thursday in Gridley.
- H. Solid Waste. Councilmember Arnold stated a workshop was scheduled for March 29th at Neal Road.
- I. Other commission reports. Councilmember Sheppard reported on the Mosquito Abatement meeting.

Vice Mayor Thompson attended the last school board meeting and spoke about the possible daytime road closure with them. Mr. Carr sent letters to residents who would be affected by the closure and asked for input. Vice Mayor Thompson could possibly hold a joint meeting with residents and the school board to discuss this matter.

Councilmember Bottorff suggested painting the curbs red at the corners of Second and C Streets to prevent parking too close to the crosswalks. Mayor Frith suggested consulting with our attorney and the police department to learn what can be done and then agendaize with the options.

- J. City Administrator.

- 1. Financial Audit Report Fiscal Year 2010. Mr. Carr reviewed the audit staff report with council.

Resident Terry Lattemore asked if the report was qualified or unqualified and Mayor Frith stated it was unqualified.

Motion/Second to accept report. (Thompson/Bottorff, MCU)

2. Staffing Request – Planning and General Office Assistance. Mr. Carr presented options for council consideration due to the extended leave of absence of one of the city employees. The city could allow temporary closures of city hall customer service and continue to use PMC for code enforcement or hire a part-time employee at the city's lowest pay rate to assist with customer service and code enforcement observation.

Terry Lattemore asked if this was a granted leave of absence. Mr. Carr stated it was a granted leave with an additional 60 day extension. Mr. Lattemore asked why it is a problem now rather than 90 days ago. Mr. Carr stated this has been a problem all along. Some tasks are not being done and employees are deferring their vacation.

Employee Marlee Mattos stated she has deferred her vacation. She needed to take vacation soon or she would lose it.

Mr. Lattemore stated the city should not put employees in the situation where they lose money. He asked what the impact of the leave of absence had been on the community.

Councilmember Sheppard stated he knew the leave of absence would cause a staffing problem and it should be addressed now.

Councilmember Arnold would prefer hiring a part-time employee and not close the office at lunch time. Vice Mayor Thompson and Councilmember Bottorff agreed.

Mayor Frith stated the employee on leave was not a substantial asset to the daily operations of the business office. Mayor Frith was an advocate for the city using volunteer help. The city has received recommendations from SCORE, legal staff and administrative staff on what the city should do when seeking office help, but he asked what the city legally can do. The governing board can do what they want to do as long as it falls within the context of the law. He would like to look at the non-financial aspects of needed services rather than hiring. There are many people that would like to be involved and give something back to the community.

Mr. Einhorn stated the concern was the ability of the council and Mr. Carr to control the monetary functions. The question was if the city was subjecting itself to liability by allowing volunteers to handle money or not. If there was a loss of money, the city has no recourse.

Mayor Frith agreed that a volunteer should have no access to the financial system. Taking money or a check should not be a problem. He did not agree with the direction council was attempting to go.

Mr. Carr pointed out that much or most of the cost to PMC for code enforcement would go away. The part-time employee could take over the code enforcement observation.

Vice Mayor Thompson recommended that the city look for a part-time person to fill in.

Mayor Frith suggested data be gathered to find out where and how much time was really needed.

Vice Mayor Thompson reminded Mayor Frith this position would also include the code enforcement position as well as office coverage as needed.

Ms. Mattos stated a study had been done that showed where the heavy workloads were.

Motion/Second to make the recommendation that the city find some type of part-time help to cover the office at no more than 18 hours a week at the rate proposed, at the lowest rate on the pay scale, as a temporary/part-time position, to sit in the planning/code enforcement position and alleviate office help and perform same tasks as employee did before leave of absence. (Thompson/Sheppard, MC; Noes: Frith)

3. Mr. Carr gave a follow-up on the policy discussed at the last council meeting and presented a Draft Social Media Policy to council.

Mr. Einhorn stated there were two parts to the policy which included using computers at work and using your personal computer at home. He suggested avoiding the appearance of council discussion outside a meeting.

Council agreed to adopt the policy as it was written.

4. Mr. Carr presented updates on various ongoing projects. He informed council that Waste Management would provide a battery recycling bin.

An estimated \$2000 of the \$5000 recycling grant could be used by BCAV to purchase recycled lumber for planter benches downtown.

Council discussed possibly helping the school district resurface the tennis courts.

E-Civis had provided a \$3600 proposal for online grant research information.

There are new opportunities to implement a PEG (Public Education in Government) fee on Comcast Cable bills to acquire video equipment and televise council meetings. Vice Mayor Thompson didn't think there would be enough community interest. Mayor Frith suggested bringing back information Mr. Carr receives on this matter.

Wells Fargo has provided a proposal to change banks and services with a potential for savings in fees.

Mr. Lattemore asked if the city offered online bill pay and was it free. There were options to cut the amount of incoming bills in the office. Ms. Mattos stated the city does offer online bill pay provided by a third-party provider but there was a convenience fee.

6. INFORMATIONAL:

7. **EXECUTIVE SESSION:** Council adjourned to executive session at 8:51 p.m.

- A. Pursuant to Government Code §54957.6 Conference with Labor Negotiators.
Designated Negotiators: Pete Carr; Greg Einhorn
Contractor: City of Gridley/Police Services Contract

- B. Pursuant to Government Code §54957 Leave of Absence: Code Enforcement.

MINUTES OF THE CITY OF BIGGS
REGULAR COUNCIL MEETING

March 21, 2011

C. Pursuant to Government Code §54957 Public Employee Performance Evaluation: City Administrator.

8. **RESUME REGULAR MEETING:** Council resumed the regular council meeting at 10:42p.m. Nothing to report.

9. **ADJOURNMENT:** Meeting was adjourned at 10:42 p.m.

ATTEST:

APPROVED:

Roben Dewsnap, CITY CLERK

Roger L. Frith, MAYOR

REPORT.: Apr 04 11 Monday
 RUN....: Apr 04 11 Time: 08:28
 Run By.: Roben Dewsnap

City of Biggs
 Month End Cash Disbursements Report
 Report for 03-11 BANK ACCOUNT 1010

PAGE: 001
 ID #: PY-CD
 CTL.: BIG

Period	Check Number	Check Date	Vendor # (Name)	Disc. Terms	Gross Amount	Disc Amount	Net Amount	Check Description
03-11	025070	03/23/11	NAT01 (National Notary Association)		(52.00)	.00	(52.00)	Ck# 025070 Reversed
	025140	03/02/11	ALL01 (All Metals Supply, Inc.)		597.57	.00	597.57	Automatic Generated Check
	025141	03/02/11	ATT02 (AT&T)		300.01	.00	300.01	Automatic Generated Check
	025142	03/02/11	BCS01 (Basic Chemical Solutions)		894.42	.00	894.42	Automatic Generated Check
	025143	03/02/11	BRE01 (Ace Hardware)		846.91	.00	846.91	Automatic Generated Check
	025144	03/02/11	BUT03 (Butte Auto Parts)		34.62	.00	34.62	Automatic Generated Check
	025145	03/02/11	COR01 (CORBIN WILLITS SYSTEM INC)		328.95	.00	328.95	Automatic Generated Check
	025146	03/02/11	DEL01 (Preferred Benefit)		692.30	.00	692.30	Automatic Generated Check
	025147	03/02/11	DON00 (Don's Shoes)		475.85	.00	475.85	Automatic Generated Check
	025148	03/02/11	FEA01 (Feather River Concrete Products)		280.91	.00	280.91	Automatic Generated Check
	025149	03/02/11	GRI01 (Gridley Honda, Inc.)		344.01	.00	344.01	Automatic Generated Check
	025150	03/02/11	GRI08 (Gridley Country Ford)		60.62	.00	60.62	Automatic Generated Check
	025151	03/02/11	GRIHE (Gridley Herald)		239.50	.00	239.50	Automatic Generated Check
	025152	03/02/11	BUY01 (Rental Guys Chico)		221.73	.00	221.73	Automatic Generated Check
	025153	03/02/11	HOL02 (James Holmes)		163.59	.00	163.59	Automatic Generated Check
	025154	03/02/11	LIT04 (Litton Loan Service)		152.80	.00	152.80	Automatic Generated Check
	025155	03/02/11	MAC01 (Mac's Hardware & Rental)		70.35	.00	70.35	Automatic Generated Check
	025156	03/02/11	MAX01 (Maximum Security Systems)		100.75	.00	100.75	Automatic Generated Check
	025157	03/02/11	NEX01 (Nextel Communications)		272.37	.00	272.37	Automatic Generated Check
	025158	03/02/11	NOR02 (North Valley Barricade)		42.49	.00	42.49	Automatic Generated Check
	025159	03/02/11	PHI01 (Phil's Heating & Air Conditioning)		5,100.00	.00	5,100.00	Automatic Generated Check
	025160	03/02/11	PIN05 (Selina Pina & Brad Owen)		78.24	.00	78.24	Automatic Generated Check
	025161	03/02/11	PRI02 (PLIC - SBD Grand Island)		140.51	.00	140.51	Automatic Generated Check
	025162	03/02/11	PUB02 (Calif Public Employees')		11,172.94	.00	11,172.94	Automatic Generated Check
	025163	03/02/11	QUI01 (Quill Corporation)		454.65	.00	454.65	Automatic Generated Check
	025164	03/02/11	RES01 (Reserve Account)		800.00	.00	800.00	Automatic Generated Check
	025165	03/02/11	SEI01 (Roy R. Seiler, CPA)		1,172.40	.00	1,172.40	Automatic Generated Check
	025166	03/02/11	THO02 (Angela Thompson)		81.20	.00	81.20	Automatic Generated Check
	025167	03/02/11	VER00 (Verizon Wireless)		112.52	.00	112.52	Automatic Generated Check
	025168	03/02/11	VIS00 (VistaNet Inc)		120.00	.00	120.00	Automatic Generated Check
	025169	03/02/11	VSP01 (Vision Service Plan-(CA))		92.16	.00	92.16	Automatic Generated Check
	025170	03/02/11	WED02 (Colby Wedin)		106.96	.00	106.96	Automatic Generated Check
	025171	03/02/11	WRI01 (Wright One Electric)		20,169.20	.00	20,169.20	Automatic Generated Check
	025172	03/08/11	ORN01 (Jose Louis Ornelas)		1,200.76	.00	1,200.76	Automatic Generated Check
	025173	03/18/11	NCPA (Northern CA Power Agency)		115,471.37	.00	115,471.37	Automatic Generated Check
	025174	03/18/11	AFL01 (Aflac)		357.78	.00	357.78	Automatic Generated Check
	025175	03/18/11	AIR00 (Airgas-NCN, Inc.)		21.03	.00	21.03	Automatic Generated Check
	025176	03/18/11	ALL03 (All Stop Market)		6.48	.00	6.48	Automatic Generated Check
	025177	03/18/11	AME00 (American Express)		418.35	.00	418.35	Automatic Generated Check
	025178	03/18/11	ARA01 (Aramark Uniform Services)		216.20	.00	216.20	Automatic Generated Check
	025179	03/18/11	BCS01 (Basic Chemical Solutions)		5,049.12	.00	5,049.12	Automatic Generated Check
	025180	03/18/11	CAL03 (California Engineering)		6,465.69	.00	6,465.69	Automatic Generated Check
	025181	03/18/11	CAR04 (Peter R. Carr)		150.96	.00	150.96	Automatic Generated Check
	025182	03/18/11	CDF01 (Depart of Forestry & Fire Protect		29,921.74	.00	29,921.74	Automatic Generated Check

REPORT.: Apr 04 11 Monday
 RUN....: Apr 04 11 Time: 08:28
 Run By.: Roben Dewsnap

City of Biggs
 Month End Cash Disbursements Report
 Report for 03-11 BANK ACCOUNT 1010

PAGE: 002
 ID #: PY-CD
 CTL.: BIG

Period	Check Number	Check Date	Vendor # (Name)	Disc. Terms	Gross Amount	Disc Amount	Net Amount	Check Description
03-11	025183	03/18/11	CON03 (Consolidated Electrical Distributors)		511.48	.00	511.48	Automatic Generated Check
	025184	03/18/11	EIN01 (Gregory P. Einhorn)		4,810.00	.00	4,810.00	Automatic Generated Check
	025185	03/18/11	FEA03 (Feather River Electric Motors)		1,148.22	.00	1,148.22	Automatic Generated Check
	025186	03/18/11	GRI04 (City of Gridley)		50,908.12	.00	50,908.12	Automatic Generated Check
	025187	03/18/11	KYO01 (Kyocera Mita America Inc)		130.24	.00	130.24	Automatic Generated Check
	025188	03/18/11	MAT00 (Marlee Mattos)		200.43	.00	200.43	Automatic Generated Check
	025189	03/18/11	NDR02 (North Valley Barricade)		379.58	.00	379.58	Automatic Generated Check
	025190	03/18/11	OFF01 (Office Depot)		35.31	.00	35.31	Automatic Generated Check
	025191	03/18/11	DRD01 (Droville Safe Lock & Door Company)		28.67	.00	28.67	Automatic Generated Check
	025192	03/18/11	PBM01 (PBM Supply & Mfg., Inc.)		20.64	.00	20.64	Automatic Generated Check
	025193	03/18/11	PGE01 (PACIFIC GAS & ELECTRIC CO)		367.68	.00	367.68	Automatic Generated Check
	025194	03/18/11	PMC01 (PMC, Inc.)		9,774.79	.00	9,774.79	Automatic Generated Check
	025195	03/18/11	QUI01 (Quill Corporation)		282.10	.00	282.10	Automatic Generated Check
	025196	03/18/11	R&K01 (R & K Stump Grinding)		325.00	.00	325.00	Automatic Generated Check
	025197	03/18/11	RIG01 (Right Way Pest Control)		119.00	.00	119.00	Automatic Generated Check
	025198	03/18/11	SCORE (Small Cities Organized)		6,129.00	.00	6,129.00	Automatic Generated Check
	025199	03/18/11	SWA01 (Swanson Timber Company)		121.78	.00	121.78	Automatic Generated Check
	025200	03/18/11	TRI05 (Tri-City Technologies)		201.13	.00	201.13	Automatic Generated Check
	025201	03/18/11	WAS04 (Waste Management)		9,434.64	.00	9,434.64	Automatic Generated Check
	025202	03/18/11	YUB01 (City of Yuba City)		1,409.80	.00	1,409.80	Automatic Generated Check
	025203	03/18/11	YUB02 (Yuba City Treasurer)		790.00	.00	790.00	Automatic Generated Check
	025204	03/30/11	AND19 (Keith & Cheryl Anderson)		150.00	.00	150.00	Automatic Generated Check
	025205	03/30/11	ATT02 (AT&T)		465.44	.00	465.44	Automatic Generated Check
	025206	03/30/11	BIG05 (Biggs Unified School District)		1,500.00	.00	1,500.00	Automatic Generated Check
	025207	03/30/11	BON01 (James Bone)		578.19	.00	578.19	Automatic Generated Check
	025208	03/30/11	BOT02 (Mike Bottorff)		44.88	.00	44.88	Automatic Generated Check
	025209	03/30/11	BUT04 (Butte County Clerk Recorder)		48.00	.00	48.00	Automatic Generated Check
	025210	03/30/11	CAR04 (Peter R. Carr)		303.44	.00	303.44	Automatic Generated Check
	025211	03/30/11	CDF01 (Depart of Forestry & Fire Protection)		29,770.08	.00	29,770.08	Automatic Generated Check
	025212	03/30/11	FEA01 (Feather River Concrete Products)		320.42	.00	320.42	Automatic Generated Check
	025213	03/30/11	FER01 (Ferguson Enterprises Inc.)		73.95	.00	73.95	Automatic Generated Check
	025214	03/30/11	FRI02 (Roger L. Frith)		770.58	.00	770.58	Automatic Generated Check
	025215	03/30/11	GRI08 (Gridley Country Ford)		39.95	.00	39.95	Automatic Generated Check
	025216	03/30/11	GRIHE (Gridley Herald)		277.00	.00	277.00	Automatic Generated Check
	025217	03/30/11	HOL02 (James Holmes)		100.82	.00	100.82	Automatic Generated Check
	025218	03/30/11	LAK02 (Lakeview Petroleum)		1,684.63	.00	1,684.63	Automatic Generated Check
	025219	03/30/11	MAX01 (Maximum Security Systems)		100.75	.00	100.75	Automatic Generated Check
	025220	03/30/11	NAV01 (Maggie Navarro)		170.00	.00	170.00	Automatic Generated Check
	025221	03/30/11	NEX01 (Nextel Communications)		195.23	.00	195.23	Automatic Generated Check
	025222	03/30/11	OFF01 (Office Depot)		76.62	.00	76.62	Automatic Generated Check
	025223	03/30/11	SMI02 (Smith & Newell)		18,260.00	.00	18,260.00	Automatic Generated Check
	025224	03/30/11	USA02 (USABlueBook)		1,114.49	.00	1,114.49	Automatic Generated Check
	025225	03/30/11	VAL03 (Luis Valle)		170.00	.00	170.00	Automatic Generated Check
	025226	03/30/11	VER00 (Verizon Wireless)		108.35	.00	108.35	Automatic Generated Check

REPORT.: Apr 04 11 Monday
 RUN...: Apr 04 11 Time: 08:28
 Run By.: Roben Dewsnap

City of Biggs
 Month End Cash Disbursements Report
 Report for 03-11 BANK ACCOUNT 1010

PAGE: 003
 ID #: PY-CD
 CTL: BIG

Period	Check Number	Check Date	Vendor # (Name)	Disc. Terms	Gross Amount	Disc Amount	Net Amount	Check Description
03-11	025227	03/30/11	VIS00 (VistaNet Inc)		100.00	.00	100.00	Automatic Generated Check
	025228	03/30/11	WAS02 (Hayden WAsser)		37.88	.00	37.88	Automatic Generated Check
Total for Bank Account 1010 ---->					348,536.32	.00	348,536.32	
Grand Total of all Bank Accounts ---->					348,536.32	.00	348,536.32	

Report.: 03/31/11
 Run On.: 03/31/11
 Time...: 15:50
 Run By.: Roben Dewsnup

Month End Warrant Register

Page.: 00001
 Id...: SP026
 Ctl...: BIG
 Prog.: SP026

Warrant Num	P#	Date	Payroll Number	Period Begin	End	*** Employee or Vendor Nbr	Name	Cal Prd	Gross Earnings	Tax Withheld	Deductions Withheld	Warrant Amount
7890	00	-----	This Warrant is VOID			----	VOID VOID VOID	----	INVOICE NO.:	NOT APPLICABLE		.00
7891	00	-----	This Warrant is VOID			----	VOID VOID VOID	----	INVOICE NO.:	NOT APPLICABLE		.00
7892	00	-----	This Warrant is VOID			----	VOID VOID VOID	----	INVOICE NO.:	NOT APPLICABLE		.00
7893	00	03/04/11	5of24	02/16/11	02/28/11			03-11	1322.67	394.68	12.05	915.94
7894	00	03/04/11	5of24	02/16/11	02/28/11			03-11	1332.08	370.39	17.55	944.14
7895	00	03/04/11	5of24	02/16/11	02/28/11			03-11	2996.32	1093.12	21.65	1881.55
7896	00	03/01/11	VENDOR PAYMENT			-----	BOA01 BANK OF AMERICA, NT&	03-11	INVOICE NO.:	B10301		1673.26
7896	01	03/01/11	VENDOR PAYMENT			-----	BOA01 BANK OF AMERICA, NT&	03-11	INVOICE NO.:	1B10301		1795.27
7896	02	03/01/11	VENDOR PAYMENT			-----	BOA01 BANK OF AMERICA, NT&	03-11	INVOICE NO.:	2B10301		500.60
TOTAL FOR VENDOR BOA01:												3969.13
7897	00	03/01/11	VENDOR PAYMENT			-----	EDD01 Employment Developae	03-11	INVOICE NO.:	B10301		521.01
7897	01	03/01/11	VENDOR PAYMENT			-----	EDD01 Employment Developae	03-11	INVOICE NO.:	1B10301		207.14
TOTAL FOR VENDOR EDD01:												728.15
7898	00	03/01/11	VENDOR PAYMENT			-----	PUB01 PERS-Retirement Syst	03-11	INVOICE NO.:	B10301		2501.30
7899	00	03/18/11	6of24	03/01/10	03/15/10			03-11	1322.67	394.67	43.05	884.95
7900	00	03/18/11	6of24	03/01/10	03/15/10			03-11	2495.52	882.37	52.65	1560.50
TOTAL FOR VENDOR PUB01:												2501.30
7901	00	03/16/11	VENDOR PAYMENT			-----	BOA01 BANK OF AMERICA, NT&	03-11	INVOICE NO.:	B10316		1584.64
7901	01	03/16/11	VENDOR PAYMENT			-----	BOA01 BANK OF AMERICA, NT&	03-11	INVOICE NO.:	1B10316		1760.12
7901	02	03/16/11	VENDOR PAYMENT			-----	BOA01 BANK OF AMERICA, NT&	03-11	INVOICE NO.:	2B10316		490.80
TOTAL FOR VENDOR BOA01:												3835.56
7902	00	03/16/11	VENDOR PAYMENT			-----	EDD01 Employment Developae	03-11	INVOICE NO.:	B10316		484.55
7902	01	03/16/11	VENDOR PAYMENT			-----	EDD01 Employment Developae	03-11	INVOICE NO.:	1B10316		203.09
TOTAL FOR VENDOR EDD01:												687.64
7903	00	03/16/11	VENDOR PAYMENT			-----	LAB02 Laborers Local 185	03-11	INVOICE NO.:	B10316		124.00
TOTAL FOR VENDOR LAB02:												124.00
7904	00	03/16/11	VENDOR PAYMENT			-----	PUB01 PERS-Retirement Syst	03-11	INVOICE NO.:	B10316		2501.30
TOTAL FOR VENDOR PUB01:												2501.30
7905	00	03/16/11	VENDOR PAYMENT			-----	STA14 STATE STREET BANK &	03-11	INVOICE NO.:	B10316		147.36
7906	00	03/31/11	3of12	03/01/11	03/31/11			03-11	300.00	20.55	.00	279.45
7907	00	03/31/11	3of12	03/01/11	03/31/11			03-11	300.00	20.55	.00	279.45
7908	00	03/31/11	3of12	03/01/11	03/31/11			03-11	300.00	20.55	.00	279.45
7909	00	03/31/11	3of12	03/01/11	03/31/11			03-11	300.00	20.55	.00	279.45
7910	00	03/31/11	3of12	03/01/11	03/31/11			03-11	300.00	20.55	.00	279.45
TOTAL FOR VENDOR STA14:												147.36
7911	00	03/30/11	VENDOR PAYMENT			-----	BOA01 BANK OF AMERICA, NT&	03-11	INVOICE NO.:	B10330		.00
7911	01	03/30/11	VENDOR PAYMENT			-----	BOA01 BANK OF AMERICA, NT&	03-11	INVOICE NO.:	1B10330		156.00
7911	02	03/30/11	VENDOR PAYMENT			-----	BOA01 BANK OF AMERICA, NT&	03-11	INVOICE NO.:	2B10330		43.50
TOTAL FOR VENDOR BOA01:												199.50
7912	00	03/30/11	VENDOR PAYMENT			-----	EDD01 Employment Developae	03-11	INVOICE NO.:	B10330		.00
7912	01	03/30/11	VENDOR PAYMENT			-----	EDD01 Employment Developae	03-11	INVOICE NO.:	1B10330		18.00
Z00435	00	03/04/11	5of24	02/16/11	02/28/11			03-11	1005.56	511.26	1294.30	.00
Z00436	00	03/04/11	5of24	02/16/11	02/28/11			03-11	3684.00	1047.19	2636.81	.00

Report.: 03/31/11
 Run On.: 03/31/11
 Time...: 15:50
 Run By.: Roben Dewsnap

Month End Warrant Register

Page.: 00002
 Id...: SPHEM
 Ctl...: BIG
 Prog.: SP026

Warrant Num	P#	Date	Payroll Number	Period Begin	End	*** Employee or Vendor *** Nbr	Name	Cal Prd	Gross Earnings	Tax Withheld	Deductions Withheld	Warrant Amount
Z00437	00	03/04/11	5of24	02/16/11	02/28/11			03-11	1887.77	535.58	1352.19	.00
Z00438	00	03/04/11	5of24	02/16/11	02/28/11			03-11	89.80	76.71	13.09	.00
Z00439	00	03/04/11	5of24	02/16/11	02/28/11			03-11	1703.67	385.03	1318.64	.00
Z00440	00	03/04/11	5of24	02/16/11	02/28/11			03-11	2607.88	698.44	1909.44	.00
Z00441	00	03/18/11	6of24	03/01/10	03/15/10			03-11	1927.24	560.45	1366.79	.00
Z00442	00	03/18/11	6of24	03/01/10	03/15/10			03-11	3684.00	1047.18	2636.82	.00
Z00443	00	03/18/11	6of24	03/01/10	03/15/10			03-11	1778.67	506.91	1271.76	.00
Z00444	00	03/18/11	6of24	03/01/10	03/15/10			03-11	89.80	76.70	13.10	.00
Z00445	00	03/18/11	6of24	03/01/10	03/15/10			03-11	1482.31	412.34	1069.97	.00
Z00446	00	03/18/11	6of24	03/01/10	03/15/10			03-11	1703.67	385.03	1318.64	.00
Z00447	00	03/18/11	6of24	03/01/10	03/15/10			03-11	2607.88	698.43	1909.45	.00
									36021.51	10179.23	18257.95	22296.27

17,602.96



HOUSING AUTHORITY
of the **COUNTY OF BUTTE**
2039 Forest Avenue
Chico, California 95928

(530) 895-4474
FAX (530) 895-4459

TDD RELAY
(800) 735-2929

Executive
Director:
Edward S. Mayer

Board of
Commissioners:

Shirley Andrews
Christine Boyle
Larry Hamman
Clarence Lobo
Gene McFarren
Laura Moravec
Lena White

March 31, 2011

Mayor Frith and City Council Members
City of Biggs
465 C Street
P.O. Box 307
Biggs, California 95917

Subject: Housing Authority of the County of Butte
HUD Award – 2009 Low Rent Public Housing Program of the Year

Dear Mayor Frith and Members of the Biggs City Council:

The Housing Authority of the County of Butte (HACB) has been recognized by the U.S. Department of Housing and Urban Development (HUD) for administration of its HUD Low Rent Public Housing program. The HACB owns and operates 345 units of Public Housing on ten (10) scattered sites located in the Cities of Biggs, Chico, Gridley, and Oroville. Twenty (20) of the units are located in the City of Biggs.

Specifically, the HACB was awarded "2009 Low Rent Public Housing Program of the Year" honors for HUD Region IX, which oversees the work of sixty-six housing authorities in California, Nevada, Arizona, Hawaii and Guam. HUD's Director of the Office of Public Housing - San Francisco, Mr. Stephen Schneller, provided the following comment in making the award at the winter regional conference of the National Association of Housing and Redevelopment Officials, Napa:

"The Public Housing program of the year is a High Performer that keeps improving itself and its housing. The agency has a diverse portfolio that serves multiple communities in urban and rural areas of its county. Focused on maintaining a stable, service-oriented agency with a long-term vision for its communities, it truly has impressed us with its thoughtful and compassionate approach in developing its policies and providing housing and services."

The HACB is grateful for the ongoing support of the City of Biggs, without which such achievement would not be possible. Our work together makes a positive contribution to the housing of approximately 3,000 of our County's most vulnerable households and, in turn, the health of the City of Biggs, as well as that of the County as a whole.

Very truly yours,

Edward S. Mayer
Executive Director



ROY R. SEILER
CERTIFIED PUBLIC ACCOUNTANT

201 C. North Tehama
Willows, CA 95988

Phone: 530-934-8841
Fax: 530-934-8849

City of Biggs,
Biggs, California

I have compiled the accompanying recap of discretionary funds (cash balances) and funds with restricted uses (cash balances) , for the City of Biggs, as of December 31, 2010. I have not audited or reviewed the accompanying statement and, accordingly, do not express an opinion or provide any assurance about whether the statement is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

I am not independent with respect to the City of Biggs.

April 3, 2011

Roy R. Seiler. CPA

City of Biggs
Recap of Discretionary Funds
CASH BALANCE
Committed Vs. Uncommitted Funds

<u>Fund No.</u>	<u>Fund Name</u>	Unaudited CASH Balance as of <u>12/31/10</u>	Net Available
<u>Funds Available for Commitment:</u>			
010	General Fund	282,632	
	Less 40% of Budgeted Revenues, 535,204 Minimum Reserve	<u>(214,082)</u>	68,550
011	Building and Equipment Reserve		72,110
012	Fire Engine Replacement Reserve		55,830
014	Regional Detention Basin Reserve		16,309
015	Equipment Replacement		38,559
033	Parks and Recreation		6,590
050	Electric Fund	879,474	
052	Electric Fund NCPA GOR, Uncommitted Reserv	<u>406,110</u>	
	Subtotal	1,285,584	
	Less 40% of Budgeted Revenues, 2,445,500 Minimum Reserve	<u>(978,200)</u>	307,384
145	1939 Fire Engine Restoration Reserve		3,355
165	CDBG Miscellaneous		<u>59,477</u>
Subtotal			628,164
<u>"Restricted Funds with Negative Balances:</u>			
022	Gas Tax		(3,509)
214	General Plan Update		(208,909)
044	Water Project		(209,455)
060	Solid Waste		(3,372)
090	TDA/STA SB 620 Funds		(1,343)
105	Sewer Improvement		(112,172)
126	HOME		(226)
150	CDBG , 1982		(2)
176	ADA Design for City Library		(15,944)
177	Vets Hall Rehab		(2,421)
217	E McCain		(110)
Subtotal			(557,463)
Net Uncommitted Reserves			70,701

Note there are several on going projects, some of which have negative fund balances
This may be due to timing, underfunding or other "issues".

City of Biggs
CASH BALANCE
Funds with Restricted Uses

Unaudited
CASH
Balance
as of
12/31/10

013	Bridge Replacement Reserve	70,362	
131	Sixth Street Bridge, Offsets Bridge Repl Res	(12,329)	
016	Street Maintenance Reserve	25,000	
022	Gas Tax	(3,509)	
027	Traffic Congestion	8,825	
030	Sewer Fund	5,721	
031	Drainage Fund	4,901	
032	Road Dev. Impact	3,826	
034	Gen Gov. Impact Fee	453	
035	Police Dev. Impact Fee	70	
036	Fire Dev. Impact Fee	487	
040	Water Fund	166,861	
042	Water Facilities	-	
044	Water Project	(209,455)	
051	Electric Fund, Public Benefits	84,018	
053	Electric Fund		
060	Solid Waste	(3,372)	
080	TDA/LTF Street Funds	17,092	
090	TDA/STA SB 620 Funds	(1,343)	
092	RSTP/STIP Exchange	14,171	
100	Electric Improvement	114,327	
105	Sewer Improvement	(112,172)	
106	Sewer Bond Reserve	42,124	
110	Water Improvement	20,179	
112	Water Reserve	125,816	
126	HOME	(226)	
150	CDBG, 1982	(2)	
170	CDBG, 1994	80,321	
172	CDBG, PTA 2007	-	
174	Planning and Tech Assist. Grant	6,760	Ongoing Project
175	Planning and Tech Assist. Grant	6	Ongoing Project
176	ADA Design for City Library	(15,944)	Ongoing Project
177	Vets Hall Rehab	(2,421)	Ongoing Project
196	01 STBG	1,920	
214	General Plan Update	(208,909)	
Trust Funds			
200	CFD N. Biggs Estates	18,773	
202	Fourth Street Apts	5,937	
204	JTS	-	
205	WS Devel	-	
207	SunWest	4,653	
210	Betzler/Summit	8,577	
211	Dunmore	-	
217	E McCain	(110)	
Total, For Reference Only		261,388	

Gridley - Biggs Police Department

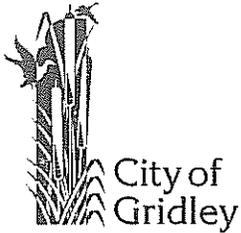
Traffic Summary for the City of Biggs

Month of March, 2011

	<i>Current Month</i>	<i>Year to Date 2011</i>
<i>Accidents Fatal</i>	0	0
<i>Accidents Personal Injury</i>	0	0
<i>Accidents Pedestrians</i>	0	0
<i>Accidents PropertyDamage</i>	0	0
<i>Hit and Run PDO</i>	1	1
<i>Hit and Run Injury</i>	1	1
<i>Accidents Total</i>	0	0
<i>Moving Violation Citations</i>	4	14
<i>Non-Moving Violations</i>	2	7
<i>Speeding Citations</i>	1	3
<i>Traffic Citations-Total</i>	7	24
<i>D.U.I. Arrests</i>	0	2
<i>Traffic stops</i>	33	

Comments:

Accidently saved over January



City of Gridley Gridley-Biggs Police Department



GARY D. KEELER
Chief of Police



GRIDLEY BIGGS POLICE DEPARTMENT			
CITY OF BIGGS MONTH IN REVIEW			
March, 2011			
CALLS FOR SERVICE		ARREST CRIME REPORT	
911	8	ADULTS	
ALARM	2		
ANIMAL	15	ATTEMPT MURDER	1
AREA CHECK	10	DRIVING WHILE SUSPENDED	1
ANNOYING PHONE CALLS	1	WARRANT	1
ABANDON VEHICLE	5		
BUSINESS CHECK	7	JUVENILE	
BIKE TRAFFIC	1	ACCESSORY TO ATTEMPT MURDER	1
CITIZEN FLAG DOWN	2	UNLICENSED DRIVER	1
HIT & RUN PROPERTY DAMAGE	1		
BURGLARY	3		
IDENTITY THEFT	1		
VANDALISM	1		
DRIVING WHILE SUSPENDED	2		
SUSPICIOUS VEHICLE	9		
EXTRA PATROL REQUEST	2		
INFORMATION	2		
JUVENILE PROBLEM	9		
STOLEN VEHICLE	1		
OUTSIDE ASSIST	6		
PEDESTRIAN CHECK	10		
PETTY THEFT	1		
RECKLESS DRIVING	1		
DISABLED VEHICLE	1		
RESISTING ARREST	1		
SUSPICIOUS CIRCUMSTANCES	3		
LOUD MUSIC	1		
TRAFFIC STOPS	33		
UNLICENSED DRIVER	2		
UNSTABLE PERSON	1		
WELFARE CHECKS	2		
WARRANT	1		
MISSING PERSON	1		
ROAD HAZARD	1		

**GRIDLEY-BIGGS POLICE DEPARTMENT
MONTHLY COUNCIL REPORT
CITY OF BIGGS**

March, 2011

TYPE	THIS MONTH	YEAR TO DATE	2010
		2011	YEAR TO DATE
# OF ARREST			
ADULTS	3	26	15
JUVENILE	2	4	2
# OF CITATIONS			
TRAFFIC/CRIMINAL	12	32	24
MISC CALLS FOR SERVICE			
	148	421	439
# OF CRIMES REPORTED			
FELONY	4	10	12
MISDEMEANOR	6	24	27
# OF WARRANT ARREST			
ADULT	1	6	5
JUVENILE	0	0	0
# OF 911 CALLS			
	8	34	28

GRIDLEY BIGGS POLICE DEPARTMENT
CITY OF BIGGS MONTH IN REVIEW
March. 2011

PERSONNEL

3/7/2011 Officer Joel Bassett was sworn in as a Police Officer and is now in training.

TRAINING

3/10/2011 Chief Keeler attended Pitches Motion Legal Update in Benicia, Ca.

3/18/2011 Assistant Chief Price graduated from the FBI National Academy.

3/22/2011 Department Officers attended in house Radar/Lidar training presented by Reserve Officer Satterwhite.

3/24/2011 Chief Keeler attended Sexual Harassment and Discrimination training in Oroville.

NOTES

3/4/2011 Sgt.Khan assisted with the Good Day Sacramento event with the Gridley High School Band.

3/8/2011 Supervisor Cain attended a PSAP meeting to discuss upcoming Viper Next Generation 911 upgrades.

3/30/2011 Chief Keeler attended a meeting for SWAT equipment funding in Chico.

Response times for this month are as follows:

Priority 1 Events that involve injury, are life threatening or in progress

Priority 2 Events that involve property loss or damage

Priority 3 Other events that do not involve injury, threat of life, property loss or damage.

Priority 1 4 minutes

Priority 2 5 minutes

Priority 3 10 minutes

MONTHLY REPORT OF LOCAL RABIES CONTROL ACTIVITIES

For Biggs March, 2011

City of Biggs Animal Control

Total calls for service: 15

RABIES VACCINATION AND LICENSING	A. Number of "Actual Cost" rabies public vaccination clinics held	0	
	B. Number of animal control citations issued for rabies vaccination and licensing violations	0	
		Dogs	Cats
	C. Dogs and cats vaccinated in "Actual Cost" public vaccination clinics	0	0
	D. Dogs and cats licensed in "Actual Cost" public vaccination clinics	0	0
	E. Total number of dogs and cats LICENSED in jurisdiction	126	0
CANINE AND FELINE RABIES CONTROL	F. Dogs and cats on hand in the shelter March 1, 2011 (carried over from February 28, 2011)	0	1
	G. Dogs and cats entering the shelter, TOTAL: (Total should equal sum of 1 to 5 below)	5	2
	1. Dogs and cats captured by Animal Control Officers	5	2
	2. Dogs and cats surrendered by owners (not including those surrendered for quarantine)	0	0
	3. Dogs and cats surrendered by the public G1 THROUGH G5	0	0
	4. Dogs and cats impounded for animal bite quarantines ARE	0	0
	5. Dogs and cats transferred from another shelter MUTUALLY EXCLUSIVE	0	0
	H. Disposition of dogs and cats entering shelter, TOTAL: (Total should equal sum of F. plus 1 to 6 below)	5	3
	1. Dogs and cats reclaimed by owner	2	0
	2. Dogs and cats adopted by new owners H1 THROUGH H6	0	0
	3. Dogs and cats euthanized ARE	0	3
	4. Dogs and cats died of other causes MUTUALLY EXCLUSIVE	0	0
	5. Dogs and cats stolen, escaped, etc.	0	0
6. Dogs and cats transferred to another shelter	3	0	
	I. Dead dogs and cats collected (excluding F, G, and H above)	0	0
	J. Dogs and cats on hand in the shelter March 31, 2011 (to be carried over to April 1, 2011)	0	0
ANIMAL BITE REPORTING	K. Animal bites reported, TOTAL: (Total should be the sum of 1 and 2 below)	0	
	1. DOG and CAT bites reported, TOTAL: (Total should be the sum of a, b, c, and d below)	0	0
	a. Licensed	0	0
	b. Vaccinated only	0	0
	c. Neither licensed or vaccinated (but owned)	0	0
	d. Strays	0	0
	2. OTHER ANIMAL bites reported, TOTAL: (Total should be the sum of a and b below)	0	
	a. Other domestics (excluding cats)	0	
b. Wild	0		

Other Animals Picked up: Raccoon

		Dogs	Cats
ANIMAL QUARANTINES	L. Number of 30 day quarantines for vaccinated dogs and cats exposed to potentially rabid animals.	0	0
	M. Number of 6 month quarantines for unvaccinated dogs and cats exposed to potentially rabid animals.	0	0
	N. Number of 6 month quarantines for domestic livestock (horses, cattle, etc.) exposed to potentially rabid animals.	0	
	O. Number of 30 day or 6 month quarantines not completed because the animals were euthanized.	0	
AGENCY ADMIN.	P. Number of animal control officers employed in jurisdiction	1	
	Q. Gridley-Biggs Animal Control 685 Kentucky Street, Gridley, CA 95948 530-846-4825		

Completed by:

Signature:

Amy Burgess

Name: Amy Burgess

Title: Animal Control Officer

Agency: Gridley-Biggs Animal Control

Telephone: 530-846-4825

Endorsement by local Health Officer or
Authorized representative:

Signature: _____

Name (print): _____

Title: _____

Agency: _____

Telephone: _____

AFTER ENDORSEMENT
PLEASE FORWARD COMPLETED FORM TO:

Veterinary Public Health Section
California Department of Health Services
MS 7308
P.O. Box 997413
Sacramento, CA 95899-7413

PHONE: (916) 552-9740
FAX: (916) 552-9725

Biggs Monthly Animal Bite Activity

Agency: Gridley-Biggs Animal Control Monthly March, 2011

		Dogs	Cats
Animal Bite Reporting	A. Animal Bites Reported. TOTAL should be the sum of 1 and 2 below.	0	0
	1. DOG and CAT bites reported. Should equal sum of a, b, c, and d.	0	0
	a. Licensed	0	0
	b. Vaccinated only.	0	0
	c. Neither Licensed or Vaccinated	0	0
	d. Strays	0	0
	2. OTHER ANIMAL bites reported. Should equal sum of a and b.	0	0
	a. Other domestic (excluding cats.)	0	0
	b. Wild	0	0
	Animal Quarantines	L. Number of 30 day quarantines for Vaccinated dogs and cats exposed to potentially rabid animals.	0
M. Number of 6 month quarantines for Unvaccinated dogs and cats exposed to potentially rabid animals.		0	0
N. Number of 6 month quarantines for Domestic livestock (horses, cattle, etc.) exposed to potentially rabid animals.		0	0
O. Number of 30 day or 6 month Quarantines not completed because animals were euthanized.		0	0
Agency Administration	P. Number of animal Control Officers Employed in the jurisdiction.	1	

Prepared by: A. Burgess

A. Burgess Gridley-Biggs Animal Control Officer

Date: 4/4/2011

685 Kentucky Street
Gridley, CA 95948
530-846-4825

Biggs Fire Department

Report on Conditions

March 2011

	County	City
Medical	3	5
Traffic Collision	2	0
Hazardous Condition	1	0
Public Assist	1	0
Other / Miscellaneous	0	0
Hazardous Materials	2	0
False Alarm	0	1
Assist Sutter County / Live Oak	0	2
Total	9	8
Local area grand total	17	

These statistics capture only those calls in the Biggs Fire Station "First Due" area and reflect the most local picture of the entire response workload of our regional fire protection system. Included for the month are two, unusual, assists to Sutter County / Live Oak. These are included to point out the regional nature of our system.

Engine 73 responds beyond the Biggs area as part of the Butte County Fire Department / CAL FIRE regional approach to fire protection and rescue services. For example Engine 73 responded to two railroad related incidents that could have happened even closer than they actually did. The first, a locomotive fire occurred south of Gridley and disrupted both the Union Pacific rail line and the adjacent State Highway 99 for about two hours. Fire personnel contained the fire to the large electrical generator portion of a single diesel locomotive, keeping it from extending to the massive fuel tank or trailing railcars. The second incident, a derailment of an LPG (rail) tank car occurred on a rail siding in Richvale near the Butte County Rice Growers complex. Although the response was for Hazardous Materials, thankfully no serious damage occurred nor did any LPG escape.

ORDINANCE NO. 391

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIGGS
ADDING CHAPTER 8.50 TO THE BIGGS MUNICIPAL CODE
(TRUCK ROUTES) AND DELETING PORTIONS OF CHAPTER 8.35**

THE CITY COUNCIL OF THE CITY OF BIGGS does ordain as follows:

SECTION 1: Chapter 8.50 of the Biggs Municipal Code is added as follows:

8.50.010 Enactment.

The ordinance codified in this chapter is enacted pursuant to the California Vehicle Code, Sections 21101 and 35701.

8.50.020 Definitions.

The following definitions are based on California Vehicle Code and are to be used in administering this chapter. All other definitions as contained in the California Vehicle Code are included by reference:

For the purpose of this chapter, “trucks” include all of the following:

1. Any vehicle exceeding a maximum gross weight limit of three tons.
2. Motortrucks of three or more axles which are more than six thousand pounds unladen weight.
3. Truck tractors.
4. Trailers and semitrailers designed or used for commercial purposes, excluding camp trailers, trailer coaches and utility trailers, where the primary use of the vehicle is noncommercial.
5. Any vehicle or combination of vehicles that exceeds forty feet in length when coupled together.
6. Any vehicle transporting hazardous materials for commercial purposes and which is regulated by the California Vehicle Code or other lawful authority, regardless of weight.
7. Any other motortruck not specified that is regulated by the Public Utilities Commission or the Interstate Commerce Commission.

8.50.030 Designated Truck Routes.

The following streets and portions of streets are designated and established as truck routes:

1. E Street from easterly City Limit to 8th Street
2. All of B Street
3. West Biggs Gridley Road from B Street to southerly City Limit
4. Bannock Street from 8th to West Biggs Gridley Rd
5. 4th Street from B Street to the northerly City Limit
6. 6th Street from B Street to southerly City Limit
7. 8th Street from Bannock Street to northerly City Limit

8.50.040 Signage.

Appropriate signs shall be erected indicating the streets affected. Such signs shall read "TRUCK ROUTE" in letters not less than four inches in height and shall be erected at all intersections of truck routes and at all intersections of designated routes with the boundary lines of the city.

8.50.050 Prohibition on Trucks Traveling off Truck Routes.

When truck routes are established pursuant to this chapter and designated by appropriate signs, the operator of any truck as defined herein shall drive said vehicle only on such routes and none other except for the following:

(1) Trucks coming from a truck route having ingress and egress by direct route to and from a restricted street when necessary for the purpose of providing a direct service requiring the utilization of such vehicles or making pickups and deliveries of goods, wares and merchandise from or to any building or structure located on the restricted street or for the purpose of delivering materials to be used in the actual and bona fide repair, alteration, remodeling or construction of any building or structure upon the restricted street for which a building permit has previously been obtained. If it is necessary for a truck to leave the truck route to make a delivery, the driver shall go by the shortest possible route to and from the delivery point to the truck route. In no event shall the truck remain off the truck route for more than one hour.

(2) Any vehicle owned by a public utility or a licensed contractor while necessarily in use in the construction, installation or repair of any public utility.

(3) Vehicles as may be reasonably necessary:

(a) For the purpose of transporting farm or ranch supplies, produce, or animals to and from ranches or farms situated along a street otherwise forbidden to be used by such vehicles, or

- (b) For the purpose of transporting a trailer used for recreation or noncommercial purposes and/or boat to and from locations along a street otherwise forbidden to be used by such vehicles, or
- (c) For the collection and transportation of garbage, rubbish, or refuse, or
- (d) For the purpose of public transportation.

8.50.060 Violations.

Violation of any section of this chapter shall constitute an infraction.

SECTION 2: Chapter 8.35 is amended as follows:

8.35.010 Stop signs.

Whenever any ordinance or resolution of this city designates and describes any street or portion thereof as through street, or any intersection at which vehicles are required to stop at one or more entrances thereto, or any railroad grade crossing at which vehicles are required to stop, the director of public works shall erect and maintain stop signs as follows: A stop sign shall be erected on each and every street intersecting such through street or portion thereof so designated and at those entrances of other intersections where a stop is required and at any railroad grade crossing so designated. Every such sign shall conform with and shall be placed as provided in the Vehicle Code. [Ord. 282 § 2, 1988]

~~**8.35.020 Truck routes—Signposting.**~~

~~Whenever any ordinance or resolution of this city designates any streets or combination of streets in the city of Biggs as a truck route, the director of public works shall maintain signs giving notice thereof in appropriate places in accordance with the Vehicle Code (see Vehicle Code Sections 21101 and 21103). No such regulation shall be effective unless such signs are in first place, indicating the direction of lawful travel. [Ord. 284 § 1, 1989; Ord. 282 § 3, 1988]~~

~~**8.35.030 Truck routes—Weight of vehicles.**~~

~~For the purpose of this chapter, trucks are hereby designated as any vehicle exceeding a three-ton capacity rating. [Ord. 282 § 4, 1988]~~

~~**8.35.040 Truck routes—Deliveries.**~~

~~All trucks subject to this chapter, while traveling on city streets, must stay on the truck routes designated. If it is necessary for a truck to leave the truck route to make a delivery, the driver shall go by the shortest possible route to and from the delivery point to the truck route. In no event shall the truck remain off the truck route for more than one hour. [Ord. 282 § 5, 1988]~~

8.35.060 Violations.

Violation of any section of this chapter shall constitute an infraction.

I HEREBY CERTIFY that the above and foregoing Ordinance was duly and regularly introduced and read at a regular meeting held on the 21st day of March, 2011, and was passed and adopted by the City Council of the City of Biggs at a regular meeting thereof duly held on the 18th of April, 2011, by the following vote, to wit:

AYES: COUNCILMEMBER: _____

NOES: COUNCILMEMBER: _____

ABSENT: COUNCILMEMBER: _____

ABSTAIN: COUNCILMEMBER: _____

ATTEST:

APPROVED:

Roben Dewsnup
CITY CLERK

Roger L. Frith
MAYOR



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: April 18, 2011 6:00PM

DATE: March 29, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator/Finance
SUBJECT: NCPA Documents Required as Part of TID Settlement (Action by Consent)

Council will consider approving documents reflecting negotiated settlements with NCPA and members agencies incident to the withdrawal of Turlock Irrigation District (TID) from the NCPA membership.

Background

These documents follow and support the staff report and requested action same subject from the March meeting.

NCPA staff report is also included.

Attachment: NCPA staff report – TID Agreement Approvals (provided electronically)
Amendment No. 1 to NCPA Facilities Agreement (provided electronically)
Amendment No. 2 to Geothermal Project No. 3 (provided electronically)

Recommendation:

Approve the agreements as presented and authorize city administrator to execute on behalf of Biggs.

Fiscal Impact of Recommendation:

None.



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Commission Staff Report

AGENDA ITEM NO.: 20

Date: February 22, 2011
To: NCPA Commission
Subject: TID Agreement Approvals Recommended for Withdrawal from the NCPA Joint Powers Agreement

Background

TID provided a letter to NCPA, dated March 16, 2009, announcing its intention to provide notice to all members of its intent to terminate its membership in NCPA in accordance with the terms of the Joint Powers Agreement (JPA). This letter was followed by a letter dated March 24, 2009 to each NCPA member, indicating that TID had provided notice to NCPA that it was terminating its membership effective no later than April 1, 2011. Notwithstanding the clear termination date provided to each of the members in their March 24, 2009 letter, the March 16 letter to NCPA did not comport with the two year notice requirement, as it indicated an intent to send a notice to withdraw as opposed to a formal notice to withdraw by a date certain. As a result of the ambiguity between the two sets of letters, utility directors requested the NCPA General Manager to follow up with TID to secure a more formal notice of TID's intention to withdraw from NCPA. In response to that request, TID provided a resolution of its Board, dated June 2, 2009, indicating that the Board had met in closed session on March 24, 2009 and had authorized, among other things, the TID general manager to send notices of termination to member agencies as required under the JPA. Based on the receipt of the TID Board resolution, in combination with the March 16th letter to NCPA and the March 24th letters to NCPA members, the NCPA Commission agreed to establish April 1, 2011 as the effective termination date for TID's membership in the JPA, and directed staff to begin working out the details necessary to provide for an orderly withdrawal no earlier than April 1, 2011.

In order to accommodate TID's withdrawal, staff performed an inventory of all agreements that appeared to be relevant to TID's withdrawal and has been working together with TID staff and legal counsel over the last eighteen months to terminate, update and/or develop as necessary, agreements, policies and procedures that are required to effectuate TID's withdrawal from the Agency. After lengthy negotiations, the agreements, policies and procedures deemed necessary fell into three categories as follows:

- Natural Gas Related Programs and Projects
- Geothermal Related Programs and Projects
- Obligations under existing governance agreements to be settled prior to exit

Natural Gas Related Programs and Projects

All work associated with natural gas related programs and projects has been completed. Activity included terminating the Natural Gas Purchase Program third phase agreement, removing TID from the natural gas procurement and pipeline capacity management agreement

SR: 115:11

and modifying natural gas pipeline tariff agreements to reflect a split of pipeline capacity between NCPA and TID. (See NCPA Commission Staff Reports: 223:10 and 222:10 for complete details on these changes)

Geothermal Related Programs and Projects

After some vacillation by TID with respect to whether or not to retain its ownership interest, TID decided that it will retain its interests in Geothermal Project No. Three even after its withdrawal from NCPA membership. TID is not currently, however, a signatory to the Geothermal Project Third Phase Agreement. TID's rights and entitlements in the Geothermal Project flow instead from letter agreements between TID and various Geothermal Project Participants by which project entitlement percentages are transferred (currently affecting Palo Alto, Gridley, and Plumas who are sometimes referred to as the "permanently transferring participants"), letter agreements between TID and NCPA by which NCPA agreed to treat TID as a Project Participant, as least as to the first of the transfer agreements, and more typical agency governance documents such as the Facilities Agreement and the Geothermal Project Operating Agreement.

Significantly, since TID is not a signatory to the Geothermal Project Third Phase Agreement it currently derives its ability to vote its interests in its share of the Geothermal Project only through the previously referenced letter agreements. This has been treated as permitting TID's Commissioner to vote at Commission meetings and through its appointed representative on the Facilities Committee. Once TID's termination of membership is effective, however, TID will no longer have a Commissioner on the NCPA Commission that will be able to vote TID's interests with regard to its entitlements in the Geothermal Project. Likewise, while TID is a signatory to the Facilities Agreement, that agreement provides that representation on the Facilities Committee is based upon being an NCPA member. As a result, NCPA and TID staffs have been negotiating agreements that will ensure that TID's rights and obligations as embodied in those letter agreements are continued in successor agreements to be implemented upon TID's withdrawal and that continuing NCPA member interests are protected in an equal fashion. Specific changes surrounding the Geothermal Related Programs and Projects are discussed in more detail below in the "Issue" section of this staff report.

Obligations Under Existing Governance Agreements to be Settled Prior to Exit

The JPA provides that any signatory to the JPA terminating its membership in the JPA is obligated to pay its *pro-rata* share of all encumbrances and indebtedness of NCPA as of the date of termination as a condition precedent to such termination and withdrawal. NCPA and TID have been negotiating regarding a set of claims that each has specified against the other in an effort to reach agreement on a lump sum amount that would be used to settle all known and unknown claims made by one entity against the other. The vehicle for settling all known and unknown claims has been titled the "Exit Agreement" and in addition to settling all claims, would be used to terminate certain remaining agreements between the parties that require termination due to the termination of membership and to establish dispute resolution scope limits and processes for disputed payments made by TID to NCPA during fiscal year 2010/2011 as a consequence of TID having declined to approve the NCPA annual budget. Further detail associated with the "Exit Agreement" is provided in the "Issue" section of this staff report below.

Issue

Staff has completed its negotiations with TID and is requesting Commission approval of the final package of agreements necessary to effectuate TID's withdrawal from the NCPA JPA on a "settled" basis. Each of the agreements requiring Commission and/or member approval is summarized below:

SR: 115:11

Geothermal Project Agreements

Attached to this staff report are a set of Geothermal Project related agreements requiring Commission approval as follows:

1. *Amendment Number Two To Agreement For Construction Operation And Financing of Geothermal Generating Project Number Three*

The primary purpose of this agreement is to provide for TID to become a signatory to the Geothermal Project Number Three Third Phase Agreement and thereby be recognized as an official "Project Participant" under that Agreement. This amendment also clarifies that a Project Participant's entitlements under the project include attributes that may exist now or in the future, such as environmental attributes, in addition to project capacity and energy. The amendment clarifies and strengthens the obligation that Project Participants have to protect the tax exempt status of the bonds issued to finance the project. It also establishes an "in-lieu" JPA cost assessment for non-members equivalent to the "in-lieu" cost assessment for non-members established for the Lodi Energy Center Project. Upon withdrawal, TID would be subject to this "in-lieu" JPA cost assessment.

This amendment would provide that the permanently transferring Participants remain secondarily liable for any payments not made by TID. This provision is necessary so that the security of bond holders is not adversely affected and therefore the approval of the bond trustee is not required. This secondary liability is terminated, under the terms of the Fourteenth Supplemental Indenture of Trust discussed below, once currently outstanding bonds are paid off.

Approvals Required: NCPA Commission, TID Governing Board and Geothermal Project Participant Governing Boards

2. *Fourteenth Supplemental Indenture of Trust*

Under Amendment Number Two to the agreement for Construction Operation and Financing of Geothermal Project Number Three, TID will become a Project Participant, but the permanently transferring Project Participants (Palo Alto, Gridley, and Plumas-Sierra) will remain secondarily liability for TID's obligations under the agreement. The transferring participants requested that they be removed from this secondarily liable position at the soonest possible time, but in no event later than when the bonds currently outstanding on the project were retired. This will be accomplished by providing for an amendment to the current Supplemental Indenture of Trust as described below.

The Fourteenth Supplemental Indenture of Trust provides for the novation of TID for the transferring Project Participants (Palo Alto, Gridley and Plumas-Sierra) with respect to the transferred project entitlement percentages when no 2009 Series A bonds, issued on behalf of the project, remain outstanding. A separate resolution, prepared by Bond Counsel, approving the Fourteenth Supplemental Indenture of Trust is included with this staff report.

Approvals Required: NCPA Commission

3. *Amended and Restated Geothermal Project Operating Agreement*

The Geothermal Project Operating Agreement (Operating Agreement) is a schedule to the Facilities Agreement. It generally provides for the means by which Project No. Two and Project No. Three are operated as a single shared resource. It is proposed that the current

operating agreement would be completely replaced by the Amended and Restated Operating Agreement.

The Amended Operating Agreement will take precedence over the Facilities Agreement in the event of conflicts between the two agreements. The Amended Operating Agreement contains all of the detail required to administer and operate the Geothermal Project on behalf of the Project Participants and provides for the combined operation of Geothermal Projects Number Two and Three in the most cost efficient manner due to the finite and limited nature of the steam field supply. Definitions in the Amended Operating Agreement were updated to include new terms that are relevant to operations today, 20 years after the first Operating Agreement was adopted. The Amended Operating Agreement clarifies how Administrative Costs will be identified and allocated to the project as an addition to the prior Operating Agreement that was limited to methodologies for allocating Project Costs.

A section on Surplus Capacity and Energy Sales was added that eliminates all Rights of First Refusal with regard to capacity, energy or other attributes associated with the project, irrespective of possible contradictory language in the Third Phase Agreement. This provision was the subject of extensive debate by the Facilities Committee and the Utility Directors and, ultimately, the Facilities Committee recommended adopting the proposed language eliminating Rights of Refusal.

Annual budget processes were amended to be consistent with Third Phase Agreement language. Project Participant Direction and Review sections were amended to clarify how Project Participants, and particularly TID as a Project Participant and non-member, will be able to participate at Commission meetings, Facilities Committee meetings, and other meetings of NCPA committees which are subject to the Brown Act. In particular, TID will not have a vote or participation rights (other than as a member of the public) at Commission meetings. It will, however, have the right to direct the vote of the permanently transferring participants, and the right to demand a "project vote" occur at the Commission. It will remain a member of the Facilities Committee where TID will have the right to participate in and vote on matters that relate to the Geothermal Project. It will have the right to receive notices, agendas and materials of other Brown Act committees of NCPA which have Geothermal Project matters listed on their agendas.

Scheduling sections were updated to eliminate the ability to store steam for later electricity production and delivery, while retaining the ability to reduce output of the plant and the participants' share of that output up to annually determined plant reduction limits.

Lastly, the Amended Operating Agreement is used to terminate agreements, including the First and Second Transfer Agreements between TID and transferring Project Participants, the Letter Agreement between TID and NCPA specifying TID's rights under the first Transfer Agreement, the Layoff Equalization Agreement in support of the combined refinancing of the Geothermal Project and Hydroelectric Project, with rights and obligations of terminated agreements transferred to the Amended Operating Agreement, or eliminated, as appropriate.

Approvals Required: NCPA Commission, TID Governing Board and Geothermal Project Participant Governing Boards

4. Amendment Number One to Northern California Power Agency Facilities Agreement

The current Facilities Agreement provides that a Participant to the Facilities Agreement is a member of NCPA. Or stated another way, the Facilities Agreement did not contemplate that participants in NCPA projects would not be a member of NCPA. Amendment Number One provides that, notwithstanding language in the Facilities Agreement to the contrary, TID will be able to designate one member to the Facilities Committee so long as TID remains a Project Participant in Geothermal Project Number Three and that TID shall have voting rights on the Facilities Committee only with respect to Geothermal Project Number Three. This amendment will implement the agreements and understandings contained in the Amended Operating Agreement that provide for TID's continued ability to vote and participate in meetings requiring notice and which, will involve discussions affecting its interests in the project.

Approvals Required: NCPA Commission, TID Governing Board and Facilities Agreement Participant Governing Boards

5. *Facilities Agreement Schedule FA 10.00 – Federal Tax Guidelines Relating to Private Business Use*

Amendment Number Two to the Project Number Three Third Phase Agreement provides that Project Participants may engage in commercial transactions without obtaining a bond counsel opinion regarding the transaction, provided the transaction complies with the tax-related guidelines established by the NCPA commission from time to time. This schedule will implement the tax related guidelines (as drafted by NCPA Bond Counsel, Orrick Herrington & Sutcliffe) specified in Amendment Number Two. This Schedule has been approved by the Facilities Committee and pursuant to the terms of the Facilities Agreement, may be approved by the NCPA Commission without approval of the Facilities Agreement participants.

Approvals Required: NCPA Commission

Obligations under Existing Governance Agreements to be Settled Prior to Exit

6. *Membership Withdrawal and Exit Agreement between NCPA and TID*

The Membership Withdrawal and Exit Agreement (Exit Agreement) establishes the effective date of TID's withdrawal from the JPA as April 1, 2011. NCPA and TID have identified claims that each have against the other and have established a payment amount that will be used to settle both the identified known claims and any unknown claims that were outstanding at the time of settlement. Two Spreadsheets have been prepared and attached to this staff report to explain the settlement terms. The first identifies the categories of claims and the recommended settlement amounts, prior to adjustment in the case of the unfunded liability claim. The second identifies the TID's budgeted costs for FY 2011 as invoiced through NCPA's monthly "All Resources Bill" processes, and further identifies which components of the those invoices will be settled as a lump sum in conjunction with TID's withdrawal from the NCPA JPA and the power management costs will be "trued up" as part of NCPA's annual budget reconciliation and true up processes. All disputes associated with matters identified in the Exit Agreement are required to be submitted to arbitration in accordance with the terms outlined in the Exit Agreement. The arbitration terms outlined in the Exit Agreement (as relating to the matters identified in the Exit Agreement) govern, notwithstanding other dispute resolution options that are available to TID or NCPA in any other agreements.

The Exit Agreement specifies that disputes associated with any ongoing costs after March 31, 2011 as a consequence of TID's ongoing participation in the Geothermal Project shall

proceed as required under the dispute resolutions processes outlined in the Facilities Agreement.

Lastly, the Exit Agreement terminates certain agreements that will no longer be relevant upon TID's withdrawal (Energy Exchange Agreement, Member Services Agreement and Agreement for Sale of Energy and Capacity of Combustion Turbine Project Number Two – Unit Two).

Approvals Required: NCPA Commission and TID Governing Board

Fiscal Impact

Attachment 1 summarizes the settlement amounts for each of the known claims identified in Section 3 of the Exit Agreement, along with an allocation of the revenue or the cost to each member affected or benefitting from a particular settlement category

Environmental Analysis

This activity would not result in either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment, and is therefore not a "project" for purposes of the California Environmental Quality Act pursuant to CEQA Guidelines section 153789(a) and (b).

Discussion

Negotiations surrounding the referenced agreements have been both quite lengthy and very fluid, necessitating regular modifications and updates to the agreements. As a result, it proved to be very difficult to coordinate regular ongoing review and comment from potential additional reviewers (members) outside of the negotiating group established by the NCPA Commission. Consequently, the approach taken by the negotiating group was to review all contracts at certain milestone points with our Facilities Committee, Utility Directors, Legal Committee and Commission, and to obtain regular policy direction from the Commission regarding key terms and conditions in the agreements during closed sessions.

At this point, the referenced agreements have been reviewed with the Facilities Committee, Utility Directors, Legal Committee and Commission at various points of completion over the last three months. The Legal Committee agreed in principle with the agreements as drafted at the time of their review and recommended that Commission approval of the Exit Agreement be conditioned on receipt of TID executed copies of all agreements within seven (days) of the conditional approval of the agreements by the NCPA Commission. TID has since requested fourteen (14) days in order to coordinate approvals with their regularly scheduled Board meeting and staff recommends agreeing to that request.

Both the Facilities Committee and Legal Committee suggested eliminating language within the Amended Operating Agreement indicating that costs would be allocated according to "cost causation principles" unless the term "cost causation" could be defined. TID and NCPA negotiating teams were unable to come to agreement on a definition for cost causation, and TID was adamant that this language should stay in the agreement. After much discussion, the NCPA negotiating team recommends that the cost causation language be left in the agreement without the definition. It is our view that there is sufficient case law on the subject to refer to in the event there is ever a dispute over whether NCPA is properly allocating costs to the Project in accordance with cost causation principles.

The Facilities Committee reviewed the "near" final set of agreements on February 17th, which occurred after staff reports were due and prior to being able to completely finalize all necessary agreements. The Facilities Committee was briefed on the elements of the agreements that were still subject to change, the basis for the ongoing discussions and the desired/probable outcomes. After discussion, the Facilities Committee recommended approval of all agreements referenced in the staff report.

Recommendation

Staff recommends that the Commission:

1. Find that approval of the agreements referenced in the attached staff report is an administrative activity which will not result in either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment, and is therefore not a "project" for purposes of the California Environmental Quality Act pursuant to CEQA Guidelines section 153789(a) and (b).
2. Adopt a resolution which:
 - a. Approves and authorizes the General Manager to execute the following agreements on behalf of NCPA, with such minor modifications approved by General Counsel, and conditioned on receipt of executed copies of the agreements, properly executed by TID, which shall include a resolution of the TID Board authorizing execution of each of the agreements requiring execution by TID as referenced in the staff report, within fourteen (14) days of this Commission's conditional approval:
 - Amendment Number Two to Agreement for Construction, Operation and Financing of Geothermal Generating Project Number Three
 - Amended and Restated Geothermal Project Operating Agreement Between Northern California Power Agency and the Geothermal Project Participants
 - Amendment Number One to Northern California Power Agency Facilities Agreement
 - Membership Withdrawal and Exit Agreement between Northern California Power Agency and Turlock Irrigation District
 - b. Approves NCPA Facilities Agreement Schedule FA10.00.
3. Adopt a resolution which approves the 14th Supplemental Indenture of Trust between Northern California Power Agency and US Bank National Association, as Trustee Relating to Geothermal Project Number 3 Revenue Bonds and authorizes the General Manager to execute it on behalf of NCPA, subject to receipt of TID approval of the agreements specified in Section 2 above.
4. Authorize the General Manager to pursue any and all claims to the full extent allowed by NCPA governance agreements, whether through litigation or dispute resolution processes specified in agency governance documents in the event TID does not provide properly executed copies of all agreements identified above within the fourteen (14) day period following this Commission's conditional approval of the referenced agreements.

Respectfully submitted,



JAMES H. POPE
General Manager

DD/tlh
Attachments

Prepared by:



DAVID DOCKHAM
Assistant General Manager

TID Exit Agreement Staff Report Exhibit 1
Settlement Amounts and member cost allocations

Category	NCPA Budget	NCPA Claim	TID Claim	Settlement Agreement	TID Net Settlement Payment
<i>Liability under JPA</i>					
Unfunded Retirement & Retiree Medical Liability	\$ -	\$ 332,521	\$ 219,819	\$ 219,819	\$ 219,819
Subtotal	\$ -	\$ 332,521	\$ 219,819	\$ 219,819	\$ 219,819
<i>Claims Outside of Current Invoicing Processes</i>					
Geothermal Project Transmission (DWR Entitlement) ¹	\$ -	\$ 302,353	\$ -	\$ 172,812	\$ 172,812
Damages for Non-Transfer of Renewable Energy Credits (REC)	\$ -	\$ -	\$ (1,000,000)	\$ (194,630)	\$ (194,630)
Subtotal	\$ -	\$ 302,353	\$ (1,000,000)	\$ (21,818)	\$ (21,818)
<i>Claims Related Current Invoicing Processes</i>					
Joint Power Agency (JPA) Charge for 9 months	\$ 188,768	\$ 188,768	\$ 188,768	\$ 188,578	
Joint Power Agency (JPA) Charge for add'l 3 months	\$ 62,922	\$ 62,922	\$ -	\$ -	
Management Services - Legislative & Regulatory ²	\$ 443,887	\$ 332,915	\$ 44,460	\$ 332,915	
Legislative & Regulatory Pass Through Charges ³	\$ 115,332	\$ 59,906	\$ 59,906	\$ 14,977	
Management Services - Power Management ⁴	\$ 171,352	\$ 171,352	\$ 171,352	\$ 171,352	\$ 14,977
Natural Gas Information Program ⁵	\$ 48,572	\$ 36,429	\$ 36,429	\$ -	
Subtotal	\$ 1,030,833	\$ 852,292	\$ 500,915	\$ 707,922	\$ 14,977
Grand Total	\$ 1,030,833	\$ 1,467,167	\$ (279,266)	\$ 905,923	\$ 212,978

Note 1 - See Geothermal Transmission Detail; NCPA Settlement Offer reflects TID allocation of DWR transmission costs for FY 2007 - FY 201C

Note 2 - NCPA Budget Amount equal to Legislative/Regulatory & Judicial Action less JPA Charge & Pass Through Charges (itemized separately); NCPA Claim prorated to reflect Legislative/Regulatory & Judicial Action charges for nine (9) months. These charges will be settled on a lump sum basis.

Note 3 - NCPA Claim adjusted to reflect refunded APPA charges; Balance for SEPA & CMUA Dues which are annual charges.

Note 4 - NCPA will collect SEPA & CMUA charges in the Budget through March 2011; TID Settlement Payment reflects balance of Dues. These charges will be settled on a lump sum basis.

Note 5 - Power Management services billed as budgeted, Power Management services will continue to be bill in ARB through June 2011 and trued up as part of the annual budget settlement process NCPA Claim for Natural Gas Information Program prorated for nine (9) months. TID participation in program ends on April 1st. These charges will be settled on a lump sum basis

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**TID Exit Agreement Staff Report
Exhibit 2 - Summary of Charges
Subject to True Up or Lump Sum
Settlement**

	Budget Estimate	Subject to True Up (yes/no)
GENERATION RESOURCES		
NCPA Plants		
Hydroelectric	0	n/a
Geothermal Plant No. 1.	0	n/a
Geothermal Plant No. 2	2,305,008	yes
Combustion Turbine No. 1	0	n/a
Combustion Turbine No. 2 (STIG)	0	n/a
PS+I--Phase I + Phase II		
Prepaid Debt Service		
Member Resources		
Member Contracts	0	n/a
Member Generation	0	n/a
Western Resource		
Western Costs	0	n/a
Market Power Purchases		
NCPA Contracts	0	n/a
Market Purchases	0	n/a
Pool Energy Exchange		
Pool Adjustments	0	n/a
Other Resources		
Seattle City Light	0	n/a
Graeagle	0	n/a
ISO Energy Purchases	0	n/a
Subtotal Generation Services	2,305,008	
TRANSMISSION/DISTRIBUTION		
NCPA Plant Transmission		
Hydroelectric (Bellota-Tesla)	0	n/a
Geo Plant 1 (Geysers-Lakeville + Tap-line)	0	
Geo Plant 2 (Geysers-Lakeville + Tap-line)	6,620	yes
TANC		
COTP	0	n/a
SOT	0	n/a
Independent System Operator		
ISO GMC Wheeling, Ancillary Services	75,686	yes
NCPA Charges	0	yes
ISO Adjustments	0	yes
Other Transmission		
Biggs 60Kv		
Bay Area Transmission Studies		

Distribution		
Subtotal Transmission\Distribution	82,306	
MANAGEMENT SERVICES		
Legislative + Regulatory		
Legislative Representation	301,111	no - lump sum
Regulatory Representation	140,030	no - lump sum
Western Representation	7,786	no - lump sum
Member Support Services	2,533	no - lump sum
JPA Assessment	251,690	no - lump sum
Judicial Action	107,759	no - lump sum
Subtotal Legislative + Regulatory	810,909	
Power Management		
SCALD, Energy Risk Mgmt + Settlements	171,352	yes
Green Power Project		
Market Power Purchase Project		
Natural Gas Information Program	36,432	no - lump sum
RMR Mgmt., net to GOR		
Subtotal Management Services	1,018,693	
*TOTAL ANNUAL ACTUAL COST	3,406,007	
LESS: THIRD PARTY REVENUE		
Market Power Sales	0	yes
Transmission Sales	6987	yes
Ancillary Services Sales	0	yes
ISO Energy Sales	0	yes
Other Sales + Income (solar rebate,drill rig, effluent sales)	179022	yes
Net transfer (to) from GOR	0	
Other Revenue Adjustments	0	yes
Displacement Revenue	0	n/a
Subtotal Third Party Revenue	186,009	
NET ANNUAL ACTUAL COST	3,219,998	

RESOLUTION 11-10

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING AGREEMENTS REQUIRED FOR TURLOCK IRRIGATION DISTRICT
(TID) WITHDRAWAL FROM THE AMENDED AND RESTATED NORTHERN
CALIFORNIA POWER AGENCY JOINT POWERS AGREEMENT**

(reference Staff Report #115:11)

WHEREAS, Turlock Irrigation District (TID) is a signatory to the Amended and Restated Northern California Power Agency Joint Powers Agreement (JPA) dated as of January 1, 2008; and

WHEREAS, TID has provided the required 2 year notice of termination of membership in the JPA and the Commission has accepted that 2 year notice to be effective April 1, 2011 ; and

WHEREAS, TID's termination of membership in the JPA affected its rights and obligations under various agreements between TID and NCPA members and between TID and NCPA, requiring those agreements to be either terminated, clarified or amended in some fashion; and

WHEREAS, Any signatory to the JPA terminating its membership in the JPA is obligated to pay its pro-rata share of all debts, liabilities and obligations of NCPA as of the date of termination as a condition precedent to such termination and withdrawal; and

WHEREAS, TID and NCPA staffs have worked together to identify all agreements needing to be either terminated, clarified or amended, and have arrived at a recommended settlement amount that would satisfy TID's obligation to pay its pro-rata share of all debts, liabilities and obligations of NCPA as of the date of termination; and

WHEREAS, the agreements required to effectuate TID's withdrawal from the JPA are attached to the staff report referenced in this resolution; and

WHEREAS, approval of these agreements is not a project for purposes of the California Environmental Quality Act; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency:

1. Finds that approval of the agreements referenced in the attached staff report is an administrative activity which will not result in either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment, and is therefore not a "project" for purposes of the California Environmental Quality Act pursuant to CEQA Guidelines section 153789(a) and (b).
2. Adopt a resolution which:
 - a. Approves and authorizes the General Manager to execute the following agreements on behalf of NCPA, with such minor modifications approved by General Counsel, and conditioned on receipt of executed copies of the agreements, properly executed by TID, which shall include a resolution of the TID board authorizing execution of each of the agreements requiring execution by TID as referenced in the staff report, within fourteen (14) days of this Commission's conditional approval:

- Amendment Number Two to Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3
- Amended and Restated Geothermal Project Operating Agreement Between Northern California Power Agency and the Geothermal Project Participants
- Amendment Number One to Northern California Power Agency Facilities Agreement
- Membership Withdrawal and Exit Agreement between Northern California Power Agency and Turlock Irrigation District

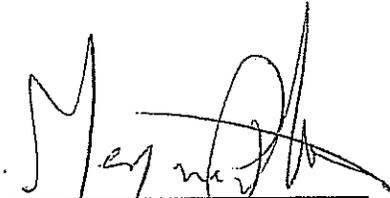
b. Approves NCPA Facilities Agreement Schedule FA10.00.

3. Adopt a resolution which approves the 14th Supplemental Indenture of Trust between Northern California Power Agency and US Bank National Association, as Trustee Relating to Geothermal Project Number 3 Revenue Bonds and authorizes the General Manager to execute it on behalf of NCPA, subject to receipt of TID approval of the agreements specified in Section 2 above.
4. Authorize the General Manager to pursue any and all claims to the full extent allowed by NCPA governance agreements, whether through litigation or dispute resolution processes specified in agency governance documents in the event TID does not provide properly executed copies of all agreements identified above within the fourteen (14) day period following this Commissions conditional approval of the referenced agreements.

PASSED, ADOPTED and APPROVED this 24th day of February 2011, by the following vote on roll

call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	Y		
BART	Y		
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto		X	
Port of Oakland			X
Redding	Y		
Roseville	Y		
Santa Clara	Y		
TID		X	
Truckee Donner	Y		
Ukiah	Y		
Plumas-Sierra			X


 GARY W. PLASS
 CHAIRMAN

ATTEST: 
 DENISE DOW
 ASSISTANT SECRETARY

RESOLUTION 11-13

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AMENDMENT NUMBER TWO TO AGREEMENT FOR CONSTRUCTION, OPERATION AND FINANCING OF GEOTHERMAL GENERATING PROJECT NUMBER 3 AND THE FOURTEENTH SUPPLEMENTAL INDENTURE OF TRUST RELATING TO THE GEOTHERMAL PROJECT NUMBER 3 REVENUE BONDS AND APPROVING CERTAIN RELATED DOCUMENTS AND ACTIONS

(Refer to Staff Report 115:11)

WHEREAS, the Northern California Power Agency (“NCPA”) is a public entity duly organized and existing pursuant to the Amended and Restated Northern California Power Agency Joint Powers Agreement, dated as of January 1, 2008 (the “JPA”) and the provisions of the Joint Exercise of Powers Act constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California; and

WHEREAS, NCPA is authorized pursuant to the provisions of the JPA and the Act (capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture mentioned below) to acquire and construct, or cause to be acquired and constructed, and to operate or cause to be operated, a project within the State of California for the generation or transmission of electric energy (including a capacity right in such a project) and to sell the capacity and energy of such project; to enter into agreements with respect to any matters relating to the acquisition, construction and operation of such project and the sale of capacity and energy of such project; and to finance the acquisition, construction and operation of such project through the issuance of bonds, notes and other evidences of indebtedness under the Act; and to issue bonds to refund such bonds, notes or other evidences of indebtedness; and

WHEREAS, NCPA and the cities of Alameda, Biggs, Gridley (“Gridley”), Healdsburg, Lodi, Lompoc, Palo Alto (“Palo Alto”), Roseville, Santa Clara, and Ukiah and the Plumas-Sierra Rural Electric Cooperative (“Plumas”) (collectively, the “Original Project Participants”) have entered into the Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of July 1, 1983, as amended by the Amendment Number One to Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of August 1, 1983 (collectively, the “Original Agreement” and as amended and supplemented from time to time, the “Agreement”), each by and among NCPA and the Original Project Participants, to provide for the construction, operation, and financing of the Project, the sale by NCPA of capacity and energy of the Project to the Original Project Participants, and the security for the bonds, notes and other evidences of indebtedness to be issued to finance the Project; and

WHEREAS, pursuant to the Original Agreement, NCPA has financed and constructed, and operates and maintains, and finance a certain geothermal generating project located in Lake and Sonoma Counties constituting the Project for the benefit of the Original Participants, each of

whom is entitled to its Project Entitlement Percentage of Project capacity and energy and is obligated to pay for the costs of said Project in accordance with Section 5 of the Original Agreement; and

WHEREAS, the Original Project Participants and the Turlock Irrigation District ("TID") entered into an Agreement for Transfer of Rights to Capacity and Energy of Geothermal Generating Project Number 3, dated as of October 1, 1984 (the "First Transfer Agreement") by which each Original Project Participant transferred to TID specified and varying East Block Entitlement Percentages of Project capacity and energy in each calendar year to and including 2000, and, from calendar year 2001 until the end of the life of the Project, Gridley permanently transferred 0.118% of its 0.456% of East Block Entitlement Percentage of Project capacity and energy to TID, and Plumas permanently transferred 0.227% of its 0.91% East Block Entitlement Percentage of Project capacity and energy to TID; and

WHEREAS, Palo Alto and TID entered into an agreement dated December 30, 1985 (the "Second Transfer Agreement") and, pursuant to the First Transfer Agreement and the Second Transfer Agreement, Palo Alto permanently transferred all of its 12.316% of East Block Entitlement Percentage of Project capacity and energy to TID; and

WHEREAS, the First Transfer Agreement and the Second Transfer Agreement (collectively referred to as the "Transfer Agreements") resulted in Gridley having rights to a 0.3360% Project Entitlement Percentage of Project capacity and energy, Palo Alto having rights to a zero% Project Entitlement Percentage of Project capacity and energy, Plumas having rights to a 0.7010% Project Entitlement Percentage of Project capacity and energy, and TID having rights to a 6.3305% Project Entitlement Percentage of Project capacity and energy (such 6.3305% Project Entitlement Percentage of Project capacity and energy, together with all additions thereto pursuant to Section 7(d) of the Agreement, being referred to as the "Transferred Project Entitlement Percentage"), and

WHEREAS, Gridley, Palo Alto and Plumas are hereafter collectively referred to as the "Transferors"; and

WHEREAS, the Transferors, while having permanently transferred all of their respective rights to the Transferred Project Entitlement Percentage to TID pursuant to the Transfer Agreements, remain liable to NCPA with respect to all payments under the Agreement related to the Transferred Project Entitlement Percentage to the extent TID does not make such payments; and

WHEREAS, NCPA desires to authorize the execution and delivery of Amendment Number Two to Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3 (the "Amendment Number Two") with the Original Project Participants and TID;

WHEREAS, as of the effective date of Amendment Number Two, the only outstanding bonds for purposes of the Original Agreement are NCPA's Geothermal Project 3 Revenue Bonds, 2009 Series A (the "2009 Series A Bonds") issued under the Indenture of Trust, dated as of November 1, 1983, between NCPA and U.S. Bank Trust National Association, as successor

Trustee (the "Trustee") (as amended and supplemented, the "Indenture") and the Indenture is the only existing Bond Resolution for purposes of the Original Agreement; and

WHEREAS, the Indenture provides that NCPA will not consent or agree to any amendment of the Agreement which will reduce the payments required thereunder or which will in any manner materially impair or materially adversely affect the rights of NCPA thereunder or the rights or security of the holders of the bonds issued under the Indenture; provided that nothing in the Indenture shall be construed so as to prohibit any other amendment of the Agreement; and

WHEREAS, the NCPA, the Original Participants and TID desire to amend the Original Agreement to, among other things, reflect the terms of the Transfer Agreements by substituting TID for the Transferors as the Project Participant under the Agreement with respect to the Transferred Project Entitlement Percentage while, in order to avoid the appearance of the impairment of the security of the holder of any 2009 Series A Bond, so long as any 2009 Series A Bond remains outstanding under the Indenture, each of the Transferors shall continue to remain liable for all payment obligations accruing under the Agreement which are related to the Transferred Project Entitlement Percentage such Transferor transferred to TID; and

WHEREAS, in connection with TID's withdrawal from membership in NCPA, the Transferors have expressed to NCPA and NCPA members a very strong interest in being released of their joint and separate contingent liability on account of a default by TID when the 2009 Series A Bonds no longer remain outstanding; and

WHEREAS, in furtherance of this understanding, the Commission acknowledges that in the future an opportunity may be presented to NCPA to refinance the 2009 Series A Bonds or otherwise restructure the 2009 Series A Bonds in a manner consistent with NCPA's policy on cost savings, which would result in the release of the transferors from their joint and separate contingent liability for any default by TID; and

WHEREAS, the Parties also desire to amend the Original Agreement to clarify that environmental attributes associated with the Project capacity and energy are included within the rights held by the Original Project Participants and TID; and

WHEREAS, Amendment Number Two provides, among other things, for the Novation of TID for the Transferors with respect to the Transferred Project Entitlement Percentage on the terms and conditions specified therein, including the Novation going into effect only when no 2009 Series A Bonds remain Outstanding; and

WHEREAS, NCPA desires to authorize the execution and delivery of the Fourteenth Supplemental Indenture (the "Fourteenth Supplemental Indenture") with the Trustee to provide for the Original Amendment being amended to permit the Novation of TID for the Transferors with respect to the Transferred Project Entitlement Percentage; and

WHEREAS, there have been prepared and submitted to this meeting drafts of the following:

- (1) Amendment Number Two; and
- (2) Fourteenth Supplemental Indenture.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Northern California Power Agency, as follows:

Section 1. Amendment Number Two, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Chairman of the Commission (the "Chairman"), the General Manager of NCPA (the "General Manager"), the Assistant General Manager, Finance and Administrative Services, and the Treasurer-Controller of NCPA (each an "Authorized Officer"), acting singly, is hereby authorized to execute and deliver Amendment Number Two, in the name of and on behalf of NCPA, in the form presented to this meeting with such changes, insertions and deletions as may be approved by the Authorized Officer executing Amendment Number Two, said execution being conclusive evidence of such approval.

Section 2. The Fourteenth Supplemental Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers, acting singly, is hereby authorized to execute and deliver the Fourteenth Supplemental Indenture, in the name of and on behalf of NCPA, in the form presented to this meeting with such changes, insertions and deletions as may be approved by the Authorized Officer executing the Fourteenth Supplemental Indenture, said execution being conclusive evidence of such approval.

Section 3. The Commission acknowledges the request of the Transferors to be relieved of their joint and several contingent liability for any default in payment by TID as soon as practicable, and in any event when the 2009 Series A Bonds no longer remain outstanding. In furtherance thereof, the Commission will use reasonable efforts to take action to effectuate the refunding of the 2009 Series A Bonds, so long as that refunding can be achieved in a manner consistent with NCPA's policy on cost savings then in effect.

Section 3. The Chairman and the Vice Chairman of the Commission, the General Manager, each Assistant General Manager, the Treasurer-Controller, the Secretary, each Assistant Secretary, the Authorized NCPA Representatives, and any other proper officer of NCPA, acting singly, be and each of them hereby is authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or convenient in carrying out the transactions contemplated by the documents approved or authorized by this Resolution. The Secretary or an Assistant Secretary of NCPA is hereby authorized to affix and attest the seal of NCPA to any of the documents approved or authorized pursuant to this Resolution.

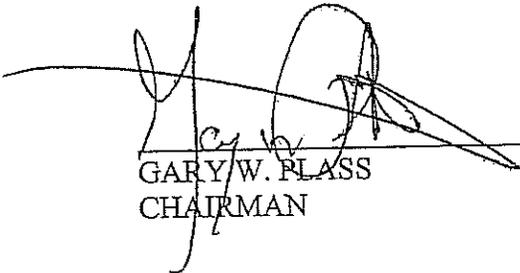
Section 4. All actions heretofore taken by any committee of the Commission, or any officer, representative or agent of NCPA, in connection with the authorization, execution, delivery or performance of NCPA's obligations under the documents approved or authorized by

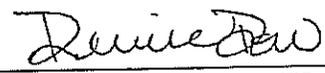
this Resolution and the other actions contemplated by this Resolution are hereby ratified, approved and confirmed.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSED, ADOPTED and APPROVED this 24th day of February, 2011, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	✓		
BART	Y		
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto	Y		
Port of Oakland			X
Redding	Y		
Roseville	Y		
Santa Clara	Y		
TID	Y		
Truckee Donner	Y		
Ukiah	Y		
Plumas-Sierra			X


 GARY W. FLASS
 CHAIRMAN


 ATTEST: DENISE DOW
 ASSISTANT SECRETARY

**AMENDMENT NO. 1
TO
NORTHERN CALIFORNIA POWER AGENCY
FACILITIES AGREEMENT**

This Amendment no. 1 is made as of April 1, 2011 by and between the Northern California Power Agency, a joint powers agency ("NCPA"), certain of its member agencies, and the Turlock Irrigation District, a California Irrigation District ("TID"), with reference to the following:

A. NCPA and certain of its members, consisting of the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, Santa Clara and Ukiah; [the Port of Oakland]; TID; and associate NCPA member Plumas Sierra Rural Electric Cooperative have entered into a Facilities Agreement dated as of September 22, 1993.

B. The Facilities Agreement provides for the means by which NCPA provides services to the NCPA generating projects, allocates costs to and among such projects, and by which the project participants can provide direction to NCPA with respect to the governance and operation of such projects.

C. At the time of its approval, the signatories to the Facilities Agreement did not contemplate that a participant in an NCPA generating project could be a non-NCPA member. Hence, the Facilities Agreement provides in section 1.17 that a "participant" in the Facilities Agreement is a member of NCPA which is signatory to the Facilities Agreement, and in Article 4 that the Facilities Committee by which project participants in NCPA projects provide direction to NCPA is composed of participants.

D. TID has given notice to NCPA of its withdrawal from NCPA effective April 1, 2011, but will remain a project participant in the Geothermal Project no. 3. In an Amended and Restated Geothermal Operating Agreement dated as of April 1, 2011, the participants in that project, including TID, and NCPA have agreed to amend the Facilities Agreement as necessary to provide TID the ability to remain a signatory to the Facilities Agreement and to have an on-going participation on the Facilities Committee.

NOW, THEREFORE, the Parties agree as follows:

1. Section 4.9 is hereby added to Article 4 ("Facilities Committee") of the Facilities Agreement to read as follows:

"4.9 Notwithstanding any other provision of this Agreement to the contrary, Turlock Irrigation District shall be entitled to designate one member of the Facilities Committee for so long as Turlock Irrigation District shall remain a project participant in Geothermal Project No. 3, which member shall have voting rights only with respect to those matters directly relating to said project."

2. Amendments to the Facilities Agreement which do not impair the rights of TID as provided in section 1 shall not require the consent of TID, provided that TID shall be given written notice of any amendment to the Facilities Agreement.

3. In all other respects the Facilities Agreement shall remain in full force and effect.

WHEREFORE, NCPA upon authorization of its Commission, and the Facilities Agreement participants, after all due authorization by their respective governing bodies, have executed this First Amendment as evidenced by the signatures of their authorized representatives below.

NORTHERN CALIFORNIA POWER AGENCY

TURLOCK IRRIGATION DISTRICT

By: _____

By: _____

Its: General Manager

Its: General Manager

Date: _____

Date: _____

Approved as to form:

Approved as to form:

General Counsel

General Counsel

ALAMEDA MUNICIPAL POWER

CITY OF BIGGS

By: _____

By: _____

Its: City Manager

Its: City Manager

Date: _____

Date: _____

Approved as to form:

Approved as to form:

City Attorney

City Attorney

CITY OF GRIDLEY

By: _____
Its: City Manager

Date: _____

Approved as to form:

City Attorney

CITY OF LODI

By: _____
Its: City Manager

Date: _____

Approved as to form:

City Attorney

CITY OF PALO ALTO

By: _____
Its: City Manager

Date: _____

Approved as to form:

City Attorney

CITY OF HEALDSBURG

By: _____
Its: City Manager

Date: _____

Approved as to form:

City Attorney

CITY OF LOMPOC

By: _____
Its: City Manager

Date: _____

Approved as to form:

City Attorney

CITY OF ROSEVILLE

By: _____
Its: City Manager

Date: _____

Approved as to form:

City Attorney

CITY OF UKIAH

By: _____
Its: City Manager

Date: _____

Approved as to form:

City Attorney

**PLUMAS SIERRA RURAL
ELECTRIC COOPERATIVE**

By: _____
Its: General Manager

Date: _____

Approved as to form:

General Counsel

CITY OF SANTA CLARA

By: _____
Its: City Manager

Date: _____

Approved as to form:

City Attorney

1586612.2

**AMENDMENT NUMBER TWO TO
AGREEMENT FOR CONSTRUCTION, OPERATION AND FINANCING OF
GEOTHERMAL GENERATING PROJECT NUMBER 3**

This Amendment Number Two to Agreement for Construction, Operation, and Financing of Geothermal Generating Project Number 3 ("Amendment Number Two") is made this 1st day of April, 2011 by and among the Northern California Power Agency ("NCPA"), a California joint powers agency; the Cities of Alameda, Biggs, Gridley ("Gridley"), Healdsburg, Lodi, Lompoc, Palo Alto ("Palo Alto"), Roseville, Santa Clara, and Ukiah; the Plumas Sierra Rural Electric Cooperative ("Plumas"), a rural electrical cooperative; and the Turlock Irrigation District ("TID"), a California irrigation district (collectively the "Parties")

WITNESSETH:

WHEREAS,

A. Each of the Parties other than TID is a party to that certain Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of July 1, 1983; and

B. Each of the Parties other than TID is a party to that certain Amendment Number One to Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of August 1, 1983 ("Amendment Number One"); and

C. The Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3 as amended by Amendment Number One is hereafter referred to as the "Original Agreement" and as amended and supplemented from time to time is hereafter referred to as the "Agreement"; and

D. Pursuant to the Original Agreement, NCPA agreed to construct, operate, and finance a certain geothermal generating project located in Lake and Sonoma Counties constituting the Project for the benefit of those parties other than NCPA executing it (the "Original Project Participants"), each of whom is entitled to its Project Entitlement Percentage of Project capacity and energy and is obligated to pay for the costs of said Project in accordance with Section 5 of the Original Agreement; and

E. The Original Project Participants and TID entered into an Agreement for Transfer of Rights to Capacity and Energy of Geothermal Generating Project Number 3, dated as of October 1, 1984 (the "First Transfer Agreement") by which each Original Project Participant transferred to TID specified and varying East Block Entitlement Percentages of Project capacity and energy in each calendar year, to and including 2000, and, from calendar year 2001 until the end of the life of the Project, Gridley permanently transferred 0.118% of its 0.456% of East Block Entitlement Percentage of Project capacity and energy to TID, and Plumas permanently transferred 0.227% of its 0.91% East Block Entitlement Percentage of Project capacity and energy to TID; and

F. Palo Alto and TID entered into an agreement dated December 30, 1985 (the "Second Transfer Agreement") and pursuant to the First Transfer Agreement and the Second Transfer Agreement, Palo Alto permanently transferred all of its 12.316% East Block Entitlement Percentage of Project capacity and energy to TID; and

G. The First Transfer Agreement and the Second Transfer Agreement are hereafter collectively referred to as the "Transfer Agreements", and resulted in Gridley having rights to a 0.3360% Project Entitlement Percentage of Project capacity and energy, Palo Alto having rights to a zero % Project Entitlement Percentage of Project capacity and energy, Plumas having rights to a 0.7010% Project Entitlement Percentage of Project capacity and energy, and TID having rights to a 6.3305% Project Entitlement Percentage of Project capacity and energy, together with all additions thereto pursuant to section 7(d) of the Agreement, being referred to as the "Transferred Project Entitlement Percentage" ; and

H. Gridley, Palo Alto and Plumas are hereafter collectively referred to as the "Transferors"; and

I. The Transferors, while having permanently transferred all their respective rights to the Transferred Project Entitlement Percentage to TID pursuant to the Transfer Agreements, remain liable to NCPA with respect to all payments under the Agreement related to the Transferred Project Entitlement Percentage to the extent TID does not make such payments; and

J. As of the effective date of this Amendment Number Two, the only outstanding bonds relating to the Project are NCPA's Geothermal Project 3 Revenue Bonds, 2009 Series A (the "2009 Series A Bonds") issued under the Indenture of Trust, dated as of November 1, 1983, between NCPA and U.S. Bank Trust National Association, as successor Trustee (as amended and supplemented, the "Indenture") and the Indenture is the only existing Bond Resolution for purposes of the Original Agreement; and

K. The Indenture provides that NCPA will not consent or agree to any amendment of the Agreement which will reduce the payments required thereunder or which will in any manner materially impair or materially adversely affect the rights of NCPA thereunder or the rights or security of the holders of the bonds issued under the Indenture; provided that nothing in the Indenture shall be construed so as to prohibit any other amendment of the Agreement; and

L. The Parties desire to amend the Original Agreement to, among other things, reflect the terms of the Transfer Agreements by substituting TID for the Transferors as the Project Participant under the Agreement with respect to the Transferred Project Entitlement Percentage while, in order to avoid the appearance of the impairment of the security of the holder of any 2009 Series A Bond, so long as any 2009 Series A Bond remains outstanding under the Indenture, each of the Transferors shall continue to remain liable for all payment obligations accruing under the Agreement which are related to the Transferred Project Entitlement Percentage such Transferor transferred to TID; and

M. The Parties also desire to amend the Original Agreement to clarify that environmental attributes associated with the Project capacity and energy are included within the rights held by the Project Participants, including TID;

NOW, THEREFORE, the Parties hereto agree as follows:

1. Terms used in this Amendment Number Two and not defined herein have the meaning given to them in the Original Agreement.

2. To provide that TID, and not the respective Transferors, is the Project Participant with respect to the Transferred Project Entitlement Percentage, Appendix "A" of the Agreement ("SCHEDULE OF PROJECT PARTICIPANTS AND PROJECT ENTITLEMENT PERCENTAGES") is hereby amended in its entirety to read as provided in Exhibit 1 hereto to include a 12.661% TID East Block Entitlement Percentage and a 6.3305% Project Entitlement Percentage and to correspondingly reduce the East Block Entitlement Percentages and Project Entitlement Percentages of the Transferors.

3. To recognize that the 2009 Series A Bonds were issued when the Transferors were the Project Participants with respect to the Transferred Project Entitlement Percentage, and to increase the security for the 2009 Series A Bonds by adding TID as the Project Participant with respect to the Transferred Project Entitlement Percentage while maintaining the respective payment obligations of the Transferors under the Agreement with respect to the Transferred Project Entitlement Percentage so long as any 2009 Series A Bonds remain outstanding under the Indenture, Section 5(f) of the Original Agreement is hereby supplemented by adding at the end thereof the following:

"Notwithstanding anything in this Section 5(f) or elsewhere in this Agreement to the contrary, in the event the Turlock Irrigation District ("TID") should fail to timely pay any amount payable by it under the Agreement, which payment obligation accrued while any of NCPA's Geothermal Project 3 Revenue Bond, 2009 Series A ("the 2009 Series A Bonds") remained outstanding under the Indenture of Trust, dated as of November 1, 1983, between NCPA and U.S. Bank Trust National Association, as successor Trustee, as amended and supplemented (the "Indenture"), the City of Gridley ("Gridley"), the City of Palo Alto ("Palo Alto") and the Plumas Sierra Rural Electric Cooperative ("Plumas" and together with Gridley and Palo Alto the "Transferors") shall remain contingently and secondarily obligated for each such payment in the following proportions, such that the security of the holders of the 2009 Series A Bonds with respect to the Agreement is not adversely affected by the addition of TID as a Project Participant and the reduction of the Project Entitlement Percentages of the Transferors with respect to the Transferred Project Entitlement Percentage:

<u>Transferor</u>	<u>Share of Amounts Not Paid by TID</u>
Gridley	0.932%
Palo Alto	97.275%
Plumas	1.793%

In the event TID fails to make a payment when due under the Agreement, which payment obligation became due while any of the 2009 Series A Bonds remain outstanding under the Indenture, NCPA shall, not more than ten (10) days after the due date for such payment, send the written demand contemplated by Section 7(a) of the Agreement to TID and to the Transferors by electronic means or overnight delivery service or by such other means as shall provide for delivery the next business day. Such demand shall specify the amount due but not received by NCPA. If TID has not made the missed payment by the twenty-fifth (25th) day following NCPA's sending the demand for payment, each Transferor shall, not later than the thirtieth (30th) day from the date of such demand, pay its respective share of the amount specified in the NCPA notice of nonpayment from the sources specified in the Agreement for other payments thereunder by the Project Participants. The Transferors' contingent and secondary obligation for payments which TID fails to make when due under the Agreement shall cease, and the Transferors shall be relieved of all obligations to make payments pursuant to this Section 5(f), on the first date when no 2009 Series A Bonds remain outstanding under the Indenture; provided, however, that nothing in this sentence shall relieve any Transferor of its obligation to pay amounts which became due from TID under the Agreement prior to such first date.

In addition to any other remedy available under the Agreement, each Transferor may directly recover from TID any payments made pursuant to this section as well as any costs or damages incurred by it as a consequence of the failure of TID to make any payment under the Agreement, including the recovery of any attorneys fees."

4. The Original Agreement is hereby supplemented by adding a new Section 17 thereto to read as follows:

"17. **Attributes Associated with Project.** A Project Entitlement Percentage of Project capacity and energy includes not only the rights to electric capacity and energy, but also the rights to a proportionate share of any associated attributes of the Project that either exist or may exist in the future. This includes attributes such as environmental credits, renewable energy credits, resource adequacy credits or other attributes associated with the production of electricity from a renewable energy resource, along with ancillary services. In all cases the right to a proportionate share of any associated attributes of the Project is subject to the terms of this Agreement including the provisions hereof relating to the loss by a Project Participant of the rights to Project capacity and energy including the associated attributes

Upon the request of a Project Participant, evidence of the ownership of such associated attributes will be provided by NCPA to the requesting Project Participant (and may thereafter be sold by the Project Participant to third persons subject to the terms of Section 18 of this Agreement and without being subject to a right of first refusal by other Project Participants), in proportion to its respective Project Entitlement Percentages of Project capacity and energy but subject to the provisions of Section 18 of

this Agreement and such commercially reasonable conditions as may be imposed or adopted by the NCPA Commission from time to time.

5. The Original Agreement is hereby supplemented by adding a new Section 18 thereto to read as follows:

"18. Federal Tax Matters. Each Project Participant recognizes that Bonds issued with respect to the Project may bear interest that is excluded from gross income for federal income tax purposes or may be issued under circumstances that entitle NCPA or Bondholders to subsidy payments from the United States or federal tax credits with respect to such Bonds (such exclusion from gross income or entitlement to a subsidy or tax credit being referred to herein as a "Tax Benefit") and subject to the provisions of federal tax law that limit, among other things, the arrangements permitted with respect to the sale, assignment, delegation, or other disposition of Project Entitlement Percentages of Project capacity and/or energy, or environmental and other associated attributes of the Project. Each Project Participant shall comply with the covenants relating to Tax Benefits contained in the Bond Resolutions, including the limitations on private use permitted under such covenants as if the Project Participant had made such covenant with respect to its Project Entitlement Percentage of Project capacity and energy. No sale, assignment, delegation or other disposition of all or any portion of a Project Participant's rights or obligation under this Agreement, including Project Entitlement Percentages of Project capacity and/or energy, or environmental and other Project attributes, that have been financed in whole or part with Bonds which have a Tax Benefit shall be effective until: (i) such Project Participant shall have given prior written notice thereof to NCPA; and (ii) NCPA's bond counsel shall have rendered an opinion to the effect that (A) such sale, assignment, delegation or other disposition will not adversely affect the Tax Benefits associated with such Bonds; and (B) such sale, assignment, delegation or other disposition is within any private use restriction or other limitation with respect to the Tax Benefits associated with such Bonds applying such restrictions and other limitations solely to the Project Participant's Project Entitlement Percentage of Project capacity and energy and not to the Project as a whole. Notwithstanding the immediately preceding sentence, each Project Participant may, without obtaining such bond counsel opinion, sell, assign, delegate or make such other disposition to which it is entitled hereunder in a transaction which complies with tax-related guidelines established by the NCPA Commission from time to time which guidelines have been approved by NCPA's bond counsel."

6. The Original Agreement is hereby supplemented by adding a new Section 19 thereto to read as follows:

"19. "In-lieu" JPA Cost Assessment for Non-Members. Project Participants may not necessarily be members of NCPA. NCPA members pay a joint powers agreement cost assessment for NCPA administrative costs, pursuant to the joint powers agreement by which NCPA is formed, and non-NCPA member Project Participants hereby likewise agree to pay for a portion of those costs, but only as applied to the non-

NCPA member Project Participant's Project Entitlement Percentage of energy produced on behalf of the Project Participant. In addition to other payments required by this Agreement, non-NCPA member Project Participants shall pay the annual "in-lieu" JPA Cost Assessment, invoiced by NCPA in twelve (12) equal billings, which will be separately identified for each non-NCPA member Project Participant. If a non-NCPA member Project Participant later becomes an NCPA member, such Project Participant shall no longer be required to pay the in-lieu JPA Cost Assessment. If an NCPA member Project Participant later withdraws from NCPA, and is no longer an NCPA member, such Project Participant will thereafter be subject to the in-lieu JPA Cost Assessment as described in this section.

The In-lieu JPA Cost Assessment shall be:

In-lieu JPA Cost Assessment = (JPA Cost Assessment Rate) x (MWh of Project energy produced on behalf of the Project Participant in the prior calendar year as metered at the point of delivery)

The "JPA Cost Assessment Rate" shall be the amount per MWh charged to NCPA members in any given year by the NCPA Commission as a JPA assessment pursuant to Article IV section 3(a) of the Amended and Restated Northern California Power Agency Joint Powers Agreement, and shall in no event exceed 15 cents per megawatt hour."

7. The proviso contained in Section 7(d) of the Agreement is hereby amended to read as follows:

"provided, however, that the sum of such increases for any nondefaulting Project Participant shall not exceed, without the written consent of such nondefaulting Project Participant, an accumulated maximum of 25% of the nondefaulting Project Participant's Project Entitlement Percentage set forth in Appendix A as in effect on April 1, 2011."

8. Section 11(e) of the Original Agreement is hereby amended in its entirety to read as follows:

"Any Project Participant may veto a discretionary action of the Project Participants relating to the Project that was not taken by a 65% or greater Project Entitlement Percentage vote within 10 days following mailing of notice of such Project Participants' action by giving written notice of the veto to NCPA and the other Project Participants unless at a meeting of the NCPA Commission called for the purpose of considering the veto and held within 30 days after such veto notice, the holders of 65% or greater of Project Entitlement Percentages shall vote to override the veto."

9. Subsection (a), (b) and (c) of Section 12 of the Original Agreement are hereby deleted. Subsection (d) of Section 12 of the Original Agreement is hereby amended by deleting the subsection designation (d) and amending the language of former subsection (d) in its entirety to read as follows:

"The term of this Agreement commenced on December 14, 1983. The Term of this Agreement shall continue until the later of: (i) the expiration of the useful life of the Project, or (ii) the date on which all Bonds issued have been retired, or full provision made for their retirement, including interest until their retirement date. In the event of the termination of the existence of NCPA prior to the termination of this Agreement, it is the intent of the Project Participants that this Agreement continue as an agreement among the Project Participants with the Project Participants performing the duties and obligations of NCPA as a group."

10. Section 14 of the Original Agreement is hereby amended in its entirety to read as follows:

"This Agreement is a service schedule and a third phase agreement attached to and incorporated into the Facilities Agreement by and among the Project Participants and NCPA. "

11. By execution of this Amendment Number Two, TID shall be deemed to have executed the Agreement and be considered a Project Participant for all purposes of the Agreement.

12. Except as provided in this Amendment Number Two, the Original Agreement shall remain in full force and effect.

13. This Amendment Number Two may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, each Project Participant has executed this Amendment Number Two with the approval of its governing body and NCPA has executed this Amendment Number Two in accordance with the authorization of its Commission.

NORTHERN CALIFORNIA POWER AGENCY

By: _____

Approved as to form:

CITY OF ALAMEDA

CITY OF BIGGS

By: _____

By: _____

Approved as to form:

Approved as to form:

CITY OF GRIDLEY

By: _____

Approved as to form:

CITY OF LODI

By: _____

Approved as to form:

CITY OF PALO ALTO

By: _____

Approved as to form:

CITY OF SANTA CLARA

By: _____

Approved as to form:

PLUMAS-SIERRA RURAL
ELECTRIC COOPERATIVE

By: _____

Approved as to form:

CITY OF HEALDSBURG

By: _____

Approved as to form:

CITY OF LOMPOC

By: _____

Approved as to form:

CITY OF ROSEVILLE

By: _____

Approved as to form:

CITY OF UKIAH

By: _____

Approved as to form:

TURLOCK IRRIGATION DISTRICT

By: _____

Approved as to form:

Exhibit 1

APPENDIX A
In effect April 1, 2011

SCHEDULE OF PROJECT PARTICIPANTS AND PROJECT ENTITLEMENT PERCENTAGES

PROJECT PARTICIPANT	PROJECT NO. 2 ENTITLEMENT PERCENTAGE	EAST BLOCK ENTITLEMENT PERCENTAGE	PROJECT ENTITLEMENT PERCENTAGE
City of Alameda	14.994%	18.771%	16.8825%
City of Biggs	0.000%	0.454%	0.227%
City of Gridley*	0.334%	0.338%	0.336%
City of Healdsburg	3.252%	4.096%	3.674%
City of Lodi	14.560%	6.000%	10.28%
City of Lompoc	3.266%	4.096%	3.681%
City of Palo Alto*	0.000%	0.000%	0.000%
City of Roseville	3.252%	12.514%	7.883%
City of Santa Clara	54.651%	34.13%	44.3905%
City of Ukiah	4.972%	6.257%	5.6145%
Plumas Sierra Rural Electric Cooperative*	0.719%	0.683%	0.701%
Turlock Irrigation District*	0.000%	12.661%	6.3305%
TOTALS	100.000%	100.000%	100.000%

* Pursuant to Section 5(f) of the Agreement, the City of Gridley, the City of Palo Alto and the Plumas Sierra Rural Electric Cooperative remain contingently and secondarily responsible for all payment obligations of Turlock Irrigation District while the 2009 Series A Bonds remain outstanding.

1590958.2

**AMENDMENT NUMBER TWO TO
AGREEMENT FOR CONSTRUCTION, OPERATION AND FINANCING OF
GEOTHERMAL GENERATING PROJECT NUMBER 3**

This Amendment Number Two to Agreement for Construction, Operation, and Financing of Geothermal Generating Project Number 3 ("Amendment Number Two") is made this 1st day of April, 2011 by and among the Northern California Power Agency ("NCPA"), a California joint powers agency; the Cities of Alameda, Biggs, Gridley ("Gridley"), Healdsburg, Lodi, Lompoc, Palo Alto ("Palo Alto"), Roseville, Santa Clara, and Ukiah; the Plumas Sierra Rural Electric Cooperative ("Plumas"), a rural electrical cooperative; and the Turlock Irrigation District ("TID"), a California irrigation district (collectively the "Parties")

W I T N E S S E T H:

WHEREAS,

A. Each of the Parties other than TID is a party to that certain Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of July 1, 1983; and

B. Each of the Parties other than TID is a party to that certain Amendment Number One to Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of August 1, 1983 ("Amendment Number One"); and

C. The Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3 as amended by Amendment Number One is hereafter referred to as the "Original Agreement" and as amended and supplemented from time to time is hereafter referred to as the "Agreement"; and

D. Pursuant to the Original Agreement, NCPA agreed to construct, operate, and finance a certain geothermal generating project located in Lake and Sonoma Counties constituting the Project for the benefit of those parties other than NCPA executing it (the "Original Project Participants"), each of whom is entitled to its Project Entitlement Percentage of Project capacity and energy and is obligated to pay for the costs of said Project in accordance with Section 5 of the Original Agreement; and

E. The Original Project Participants and TID entered into an Agreement for Transfer of Rights to Capacity and Energy of Geothermal Generating Project Number 3, dated as of October 1, 1984 (the "First Transfer Agreement") by which each Original Project Participant transferred to TID specified and varying East Block Entitlement Percentages of Project capacity and energy in each calendar year, to and including 2000, and, from calendar year 2001 until the end of the life of the Project, Gridley permanently transferred 0.118% of its 0.456% of East Block Entitlement Percentage of Project capacity and energy to TID, and Plumas permanently transferred 0.227% of its 0.91% East Block Entitlement Percentage of Project capacity and energy to TID; and

F. Palo Alto and TID entered into an agreement dated December 30, 1985 (the "Second Transfer Agreement") and pursuant to the First Transfer Agreement and the Second Transfer Agreement, Palo Alto permanently transferred all of its 12.316% East Block Entitlement Percentage of Project capacity and energy to TID; and

G. The First Transfer Agreement and the Second Transfer Agreement are hereafter collectively referred to as the "Transfer Agreements", and resulted in Gridley having rights to a 0.3360% Project Entitlement Percentage of Project capacity and energy, Palo Alto having rights to a zero % Project Entitlement Percentage of Project capacity and energy, Plumas having rights to a 0.7010% Project Entitlement Percentage of Project capacity and energy, and TID having rights to a 6.3305% Project Entitlement Percentage of Project capacity and energy, together with all additions thereto pursuant to section 7(d) of the Agreement, being referred to as the "Transferred Project Entitlement Percentage"; and

H. Gridley, Palo Alto and Plumas are hereafter collectively referred to as the "Transferors"; and

I. The Transferors, while having permanently transferred all their respective rights to the Transferred Project Entitlement Percentage to TID pursuant to the Transfer Agreements, remain liable to NCPA with respect to all payments under the Agreement related to the Transferred Project Entitlement Percentage to the extent TID does not make such payments; and

J. As of the effective date of this Amendment Number Two, the only outstanding bonds relating to the Project are NCPA's Geothermal Project 3 Revenue Bonds, 2009 Series A (the "2009 Series A Bonds") issued under the Indenture of Trust, dated as of November 1, 1983, between NCPA and U.S. Bank Trust National Association, as successor Trustee (as amended and supplemented, the "Indenture") and the Indenture is the only existing Bond Resolution for purposes of the Original Agreement; and

K. The Indenture provides that NCPA will not consent or agree to any amendment of the Agreement which will reduce the payments required thereunder or which will in any manner materially impair or materially adversely affect the rights of NCPA thereunder or the rights or security of the holders of the bonds issued under the Indenture; provided that nothing in the Indenture shall be construed so as to prohibit any other amendment of the Agreement; and

L. The Parties desire to amend the Original Agreement to, among other things, reflect the terms of the Transfer Agreements by substituting TID for the Transferors as the Project Participant under the Agreement with respect to the Transferred Project Entitlement Percentage while, in order to avoid the appearance of the impairment of the security of the holder of any 2009 Series A Bond, so long as any 2009 Series A Bond remains outstanding under the Indenture, each of the Transferors shall continue to remain liable for all payment obligations accruing under the Agreement which are related to the Transferred Project Entitlement Percentage such Transferor transferred to TID; and

M. The Parties also desire to amend the Original Agreement to clarify that environmental attributes associated with the Project capacity and energy are included within the rights held by the Project Participants, including TID;

NOW, THEREFORE, the Parties hereto agree as follows:

1. Terms used in this Amendment Number Two and not defined herein have the meaning given to them in the Original Agreement.

2. To provide that TID, and not the respective Transferors, is the Project Participant with respect to the Transferred Project Entitlement Percentage, Appendix "A" of the Agreement ("SCHEDULE OF PROJECT PARTICIPANTS AND PROJECT ENTITLEMENT PERCENTAGES") is hereby amended in its entirety to read as provided in Exhibit 1 hereto to include a 12.661% TID East Block Entitlement Percentage and a 6.3305% Project Entitlement Percentage and to correspondingly reduce the East Block Entitlement Percentages and Project Entitlement Percentages of the Transferors.

3. To recognize that the 2009 Series A Bonds were issued when the Transferors were the Project Participants with respect to the Transferred Project Entitlement Percentage, and to increase the security for the 2009 Series A Bonds by adding TID as the Project Participant with respect to the Transferred Project Entitlement Percentage while maintaining the respective payment obligations of the Transferors under the Agreement with respect to the Transferred Project Entitlement Percentage so long as any 2009 Series A Bonds remain outstanding under the Indenture, Section 5(f) of the Original Agreement is hereby supplemented by adding at the end thereof the following:

"Notwithstanding anything in this Section 5(f) or elsewhere in this Agreement to the contrary, in the event the Turlock Irrigation District ("TID") should fail to timely pay any amount payable by it under the Agreement, which payment obligation accrued while any of NCPA's Geothermal Project 3 Revenue Bond, 2009 Series A ("the 2009 Series A Bonds") remained outstanding under the Indenture of Trust, dated as of November 1, 1983, between NCPA and U.S. Bank Trust National Association, as successor Trustee, as amended and supplemented (the "Indenture"), the City of Gridley ("Gridley"), the City of Palo Alto ("Palo Alto") and the Plumas Sierra Rural Electric Cooperative ("Plumas" and together with Gridley and Palo Alto the "Transferors") shall remain contingently and secondarily obligated for each such payment in the following proportions, such that the security of the holders of the 2009 Series A Bonds with respect to the Agreement is not adversely affected by the addition of TID as a Project Participant and the reduction of the Project Entitlement Percentages of the Transferors with respect to the Transferred Project Entitlement Percentage:

<u>Transferor</u>	<u>Share of Amounts Not Paid by TID</u>
Gridley	0.932%
Palo Alto	97.275%
Plumas	1.793%

In the event TID fails to make a payment when due under the Agreement, which payment obligation became due while any of the 2009 Series A Bonds remain outstanding under the Indenture, NCPA shall, not more than ten (10) days after the due date for such payment, send the written demand contemplated by Section 7(a) of the Agreement to TID and to the Transferors by electronic means or overnight delivery service or by such other means as shall provide for delivery the next business day. Such demand shall specify the amount due but not received by NCPA. If TID has not made the missed payment by the twenty-fifth (25th) day following NCPA's sending the demand for payment, each Transferor shall, not later than the thirtieth (30th) day from the date of such demand, pay its respective share of the amount specified in the NCPA notice of nonpayment from the sources specified in the Agreement for other payments thereunder by the Project Participants. The Transferors' contingent and secondary obligation for payments which TID fails to make when due under the Agreement shall cease, and the Transferors shall be relieved of all obligations to make payments pursuant to this Section 5(f), on the first date when no 2009 Series A Bonds remain outstanding under the Indenture; provided, however, that nothing in this sentence shall relieve any Transferor of its obligation to pay amounts which became due from TID under the Agreement prior to such first date.

In addition to any other remedy available under the Agreement, each Transferor may directly recover from TID any payments made pursuant to this section as well as any costs or damages incurred by it as a consequence of the failure of TID to make any payment under the Agreement, including the recovery of any attorneys fees."

4. The Original Agreement is hereby supplemented by adding a new Section 17 thereto to read as follows:

"17. **Attributes Associated with Project.** A Project Entitlement Percentage of Project capacity and energy includes not only the rights to electric capacity and energy, but also the rights to a proportionate share of any associated attributes of the Project that either exist or may exist in the future. This includes attributes such as environmental credits, renewable energy credits, resource adequacy credits or other attributes associated with the production of electricity from a renewable energy resource, along with ancillary services. In all cases the right to a proportionate share of any associated attributes of the Project is subject to the terms of this Agreement including the provisions hereof relating to the loss by a Project Participant of the rights to Project capacity and energy including the associated attributes

Upon the request of a Project Participant, evidence of the ownership of such associated attributes will be provided by NCPA to the requesting Project Participant (and may thereafter be sold by the Project Participant to third persons subject to the terms of Section 18 of this Agreement and without being subject to a right of first refusal by other Project Participants), in proportion to its respective Project Entitlement Percentages of Project capacity and energy but subject to the provisions of Section 18 of

this Agreement and such commercially reasonable conditions as may be imposed or adopted by the NCPA Commission from time to time.

5. The Original Agreement is hereby supplemented by adding a new Section 18 thereto to read as follows:

"18. **Federal Tax Matters.** Each Project Participant recognizes that Bonds issued with respect to the Project may bear interest that is excluded from gross income for federal income tax purposes or may be issued under circumstances that entitle NCPA or Bondholders to subsidy payments from the United States or federal tax credits with respect to such Bonds (such exclusion from gross income or entitlement to a subsidy or tax credit being referred to herein as a "Tax Benefit") and subject to the provisions of federal tax law that limit, among other things, the arrangements permitted with respect to the sale, assignment, delegation, or other disposition of Project Entitlement Percentages of Project capacity and/or energy, or environmental and other associated attributes of the Project. Each Project Participant shall comply with the covenants relating to Tax Benefits contained in the Bond Resolutions, including the limitations on private use permitted under such covenants as if the Project Participant had made such covenant with respect to its Project Entitlement Percentage of Project capacity and energy. No sale, assignment, delegation or other disposition of all or any portion of a Project Participant's rights or obligation under this Agreement, including Project Entitlement Percentages of Project capacity and/or energy, or environmental and other Project attributes, that have been financed in whole or part with Bonds which have a Tax Benefit shall be effective until: (i) such Project Participant shall have given prior written notice thereof to NCPA; and (ii) NCPA's bond counsel shall have rendered an opinion to the effect that (A) such sale, assignment, delegation or other disposition will not adversely affect the Tax Benefits associated with such Bonds; and (B) such sale, assignment, delegation or other disposition is within any private use restriction or other limitation with respect to the Tax Benefits associated with such Bonds applying such restrictions and other limitations solely to the Project Participant's Project Entitlement Percentage of Project capacity and energy and not to the Project as a whole. Notwithstanding the immediately preceding sentence, each Project Participant may, without obtaining such bond counsel opinion, sell, assign, delegate or make such other disposition to which it is entitled hereunder in a transaction which complies with tax-related guidelines established by the NCPA Commission from time to time which guidelines have been approved by NCPA's bond counsel."

6. The Original Agreement is hereby supplemented by adding a new Section 19 thereto to read as follows:

"19. **"In-lieu" JPA Cost Assessment for Non-Members.** Project Participants may not necessarily be members of NCPA. NCPA members pay a joint powers agreement cost assessment for NCPA administrative costs, pursuant to the joint powers agreement by which NCPA is formed, and non-NCPA member Project Participants hereby likewise agree to pay for a portion of those costs, but only as applied to the non-

NCPA member Project Participant's Project Entitlement Percentage of energy produced on behalf of the Project Participant. In addition to other payments required by this Agreement, non-NCPA member Project Participants shall pay the annual "in-lieu" JPA Cost Assessment, invoiced by NCPA in twelve (12) equal billings, which will be separately identified for each non-NCPA member Project Participant. If a non-NCPA member Project Participant later becomes an NCPA member, such Project Participant shall no longer be required to pay the in-lieu JPA Cost Assessment. If an NCPA member Project Participant later withdraws from NCPA, and is no longer an NCPA member, such Project Participant will thereafter be subject to the in-lieu JPA Cost Assessment as described in this section.

The In-lieu JPA Cost Assessment shall be:

In-lieu JPA Cost Assessment = (JPA Cost Assessment Rate) x (MWh of Project energy produced on behalf of the Project Participant in the prior calendar year as metered at the point of delivery)

The "JPA Cost Assessment Rate" shall be the amount per MWh charged to NCPA members in any given year by the NCPA Commission as a JPA assessment pursuant to Article IV section 3(a) of the Amended and Restated Northern California Power Agency Joint Powers Agreement, and shall in no event exceed 15 cents per megawatt hour."

7. The proviso contained in Section 7(d) of the Agreement is hereby amended to read as follows:

"provided, however, that the sum of such increases for any nondefaulting Project Participant shall not exceed, without the written consent of such nondefaulting Project Participant, an accumulated maximum of 25% of the nondefaulting Project Participant's Project Entitlement Percentage set forth in Appendix A as in effect on April 1, 2011."

8. Section 11(e) of the Original Agreement is hereby amended in its entirety to read as follows:

"Any Project Participant may veto a discretionary action of the Project Participants relating to the Project that was not taken by a 65% or greater Project Entitlement Percentage vote within 10 days following mailing of notice of such Project Participants' action by giving written notice of the veto to NCPA and the other Project Participants unless at a meeting of the NCPA Commission called for the purpose of considering the veto and held within 30 days after such veto notice, the holders of 65% or greater of Project Entitlement Percentages shall vote to override the veto."

9. Subsection (a), (b) and (c) of Section 12 of the Original Agreement are hereby deleted. Subsection (d) of Section 12 of the Original Agreement is hereby amended by deleting the subsection designation (d) and amending the language of former subsection (d) in its entirety to read as follows:

"The term of this Agreement commenced on December 14, 1983. The Term of this Agreement shall continue until the later of: (i) the expiration of the useful life of the Project, or (ii) the date on which all Bonds issued have been retired, or full provision made for their retirement, including interest until their retirement date. In the event of the termination of the existence of NCPA prior to the termination of this Agreement, it is the intent of the Project Participants that this Agreement continue as an agreement among the Project Participants with the Project Participants performing the duties and obligations of NCPA as a group."

10. Section 14 of the Original Agreement is hereby amended in its entirety to read as follows:

"This Agreement is a service schedule and a third phase agreement attached to and incorporated into the Facilities Agreement by and among the Project Participants and NCPA. "

11. By execution of this Amendment Number Two, TID shall be deemed to have executed the Agreement and be considered a Project Participant for all purposes of the Agreement.

12. Except as provided in this Amendment Number Two, the Original Agreement shall remain in full force and effect.

13. This Amendment Number Two may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, each Project Participant has executed this Amendment Number Two with the approval of its governing body and NCPA has executed this Amendment Number Two in accordance with the authorization of its Commission.

NORTHERN CALIFORNIA POWER AGENCY

By: _____

Approved as to form:

CITY OF ALAMEDA

CITY OF BIGGS

By: _____

By: _____

Approved as to form:

Approved as to form:

CITY OF GRIDLEY

By: _____

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CITY OF LODI

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PLUMAS-SIERRA RURAL
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CITY OF ROSEVILLE

By: _____

Approved as to form:

CITY OF UKIAH

By: _____

Approved as to form:

TURLOCK IRRIGATION DISTRICT

By: _____

Approved as to form:

Exhibit 1

APPENDIX A
In effect April 1, 2011

SCHEDULE OF PROJECT PARTICIPANTS AND PROJECT ENTITLEMENT PERCENTAGES

PROJECT PARTICIPANT	PROJECT NO. 2 ENTITLEMENT PERCENTAGE	EAST BLOCK ENTITLEMENT PERCENTAGE	PROJECT ENTITLEMENT PERCENTAGE
City of Alameda	14.994%	18.771%	16.8825%
City of Biggs	0.000%	0.454%	0.227%
City of Gridley*	0.334%	0.338%	0.336%
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City of Lodi	14.560%	6.000%	10.28%
City of Lompoc	3.266%	4.096%	3.681%
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City of Roseville	3.252%	12.514%	7.883%
City of Santa Clara	54.651%	34.13%	44.3905%
City of Ukiah	4.972%	6.257%	5.6145%
Plumas Sierra Rural Electric Cooperative*	0.719%	0.683%	0.701%
Turlock Irrigation District*	0.000%	12.661%	6.3305%
TOTALS	100.000%	100.000%	100.000%

* Pursuant to Section 5(f) of the Agreement, the City of Gridley, the City of Palo Alto and the Plumas Sierra Rural Electric Cooperative remain contingently and secondarily responsible for all payment obligations of Turlock Irrigation District while the 2009 Series A Bonds remain outstanding.

1590958.2



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: April 18, 2011 6:00PM

DATE: April 6, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Pete Carr, City Administrator

SUBJECT: NCPA Gas Purchase program Agreement (Action by Consent)

Council will consider authorizing city administrator to execute agreement with NCPA to enter into a natural gas purchase program in support of the city's upcoming share of energy from LEC (Lodi Energy Center).

Background

Biggs is a Project Participant in the Lodi Energy Center and other natural gas fired generation facilities. The Lodi Energy Center is a 280 MW natural gas fired generation facility that is scheduled to become commercially operational by June 2012. As a result, Biggs now has a need to procure natural gas through the use of forward market purchases to assure greater rate stability for its customers.

Issue

In response to this need, Northern California Power Agency ("NCPA"), through coordination with Biggs staff, has developed a Natural Gas Purchase Program that can be used by Biggs to purchase natural gas as fuel for electric power generation for the benefit of its customers. If Biggs elects to become a Participant in the Natural Gas Purchase Program, by executing the Natural Gas Program Agreement, Biggs may direct NCPA to purchase natural gas through the use of forward market purchases or physical call options, to reduce the portion of its natural gas needs that would otherwise have to be obtained in a potentially volatile spot market. This will tend to assure greater rate stability for our customers and our utility. The Natural Gas Program Agreement is included as Attachment A to this staff report.

Participation in the Natural Gas Purchase Program, because purchases will be pooled, will also provide a means for Biggs to take advantage of reduced procurement costs through economies of scale, and will enable Biggs to diversify its counterparty risk by subscribing to a more diverse portfolio of natural gas contracts than if Biggs individually selected a single natural gas supplier.

In addition to purchasing natural gas for physical delivery through the Natural Gas Purchase Program, we may also elect to have the opportunity to stabilize our long-term

natural gas fuel costs and budgets through the use of financial market transactions. If we elect to use financial transactions to stabilize our natural gas fuel costs, we must execute the Financial Addendum attached to the Natural Gas Program Agreement as Exhibit C. Use of financial transactions, and execution of the Financial Addendum, is purely voluntary and is not required to participate in the Natural Gas Purchase Program.

Natural Gas Purchase Program Procurement Process

Biggs, as a Participant in the Natural Gas Purchase Program, can direct NCPA to procure natural gas on its behalf from third parties using competitive bids submitted in response to a NCPA Request For Proposals, or through direct purchases from the State Department of General Services ("DGS") Gas Program, or its successor program, so long as the DGS program is available.

All procurement of natural gas under the Natural Gas Purchase Program must meet certain conditions, including 1) all market purchases of natural gas shall be consummated in accordance with all NCPA Energy Risk Management Policy requirements including those limiting the term and volume of Natural Gas transactions; 2) each market purchase of natural gas, including the purchase of physical call options for natural gas, shall be capable of physical delivery unless Biggs executes the financial addendum to the Natural Gas Program Agreement, in which case Biggs may direct NCPA to purchase financially equivalent transactions; 3) the third party Gas Purchase Agreements used to purchase natural gas shall be in the form of industry-standard forms of agreement for natural gas purchases, however, in any given instance, such agreement may be modified in the discretion of the NCPA General Manager and NCPA's General Counsel, after consultation with Biggs, to include additional terms and conditions approved by Biggs; and 4) any environmental attributes associated with a given natural gas purchase will be procured by NCPA for the proportionate benefit of the Participants, including Biggs, that have subscribed to a given transaction.

Biggs, as a participant in the Natural Gas Purchase Program, will identify Designated Representatives to authorize NCPA and approve the form of third party Gas Purchase Agreement NCPA is to use to purchase natural gas by executing a Participant Purchase Confirmation substantially in the form of Exhibit A to the Natural Gas Program Agreement.

Third Party Gas Purchase Agreements

NCPA will procure natural gas on behalf of Biggs through use of industry-standard forms of agreement for natural gas purchases as provided in Exhibit B of the Natural Gas Program Agreement, including but not limited to the NAESB (North American Energy Standards Board) base contract. NCPA staff, working in conjunction with its Special Counsel, has developed a standard form NAESB base contract, and a set of special provisions that are attached to the standard form NAESB base contract, to be used to purchase natural gas under the Natural Gas Purchase Program. NCPA will use its standard form NAESB base contract with special provisions to negotiate master natural gas purchase agreements with credit worthy suppliers.

In addition to NCPA's standard form NAESB base contract, NCPA has developed a model credit support addendum, and associated special provisions to the model credit support addendum, to be used in conjunction with the NCPA standard form NAESB base contract as required.

Natural Gas Purchase Program Costs and Security Account

The costs for participating in the Natural Gas Purchase Program include 1) a monthly fixed charge of \$600, 2) a proportionate share of variable program costs (referred to as Variable GPP Costs) based on Biggs's activity in the program, 3) transaction specific costs associated with Biggs's natural gas transactions, and 4) commodity costs specific to Biggs's natural gas transactions.

In addition to the costs listed above, Biggs will be charged its proportionate share of program start-up costs, which include staff costs, legal costs, and costs associated with establishing the third party Gas Purchase Agreements that will be used under the Natural Gas Purchase Program. Biggs's share of program start-up costs will be equal to its normalized Participation Percentage in the Lodi Energy Center, in this case estimated at \$5000-6000.

Biggs, as a Participant in the Natural Gas Purchase Program will also be required to deposit funds into a Security Account held by NCPA prior to entering into any natural gas transactions. We do this already for power purchases with the GOR account. Biggs will be required to deposit into the Security Account held by NCPA an amount equal to the highest three (3) months of estimated commodity costs for all natural gas transactions Biggs has or will subscribe to as estimated by NCPA; provided, however, that such deposit may be satisfied in whole or in part either in cash or through a clean, irrevocable, letter of credit.

Biggs' Security Account deposit will be monitored by NCPA to ensure it is sufficient to support Biggs' procurement activities, and to the extent Biggs' Security Account is over or under funded NCPA will make adjustments to Biggs' account by either refunding surplus funds, or demanding additional funds be deposited in the Security Account if the current level of funds is deficit. In addition to the regular process for funding the Security Account, NCPA has the right to request Biggs make emergency deposits into the Security Account in order to support Biggs' obligations.

Fiscal Impact

The cost of developing the Natural Gas Purchase Program will be billed based on actual costs, and will be allocated to each pool member who elects to participate in the program in proportion to its normalized project participation percentage in the Lodi Energy Center. All prospective costs associated with management and administration of the Natural Gas Purchase Program will be included in the NCPA Annual Budget, and will be allocated to those members who elect to participate in the program, including Biggs, in accordance with the Natural Gas Program Agreement.

Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Attachments (1) Draft Resolution

Recommendation

Delegate authority to the city administrator to execute the Natural Gas Program Agreement to provide a means for Biggs to reduce the portion of its natural gas needs that would otherwise have to be obtained in a potentially volatile spot market, through the use of forward market purchases of natural gas; thereby assuring greater rate stability for its customers.

Fiscal Impact of Recommendation:

\$600/mo + start-up and security account obligations, starting in 2012, offset by reductions in market contract power purchases.

RESOLUTION 2011-09

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS APPROVING EXECUTION OF THE NATURAL GAS PROGRAM AGREEMENT

WHEREAS, the City of Biggs is a project participant in natural gas fired generation facilities, and has a need to procure natural gas through the use of forward market purchases to assure greater rate stability for its customers; and

WHEREAS, in response to this need, Northern California Power Agency (“NCPA”) has developed a Natural Gas Purchase Program that can be used by NCPA members to purchase natural gas as fuel for electric power generation for the benefit of their respective customers; and

WHEREAS, the City of Biggs is a member of NCPA; and

WHEREAS, the City of Biggs may elect to become a Participant in the Natural Gas Purchase Program by executing the Natural Gas Program Agreement, under which the City of Biggs can direct NCPA to purchase natural gas, through the use of forward market purchases or physical call options, to reduce the portion of its natural gas needs that would otherwise have to be obtained in a potentially volatile spot market; and

WHEREAS, the City of Biggs, as a Participant in the Natural Gas Purchase Program may also elect to have the opportunity to stabilize its long-term natural gas fuel costs and budgets through the use of financial transactions, and in order for the City of Biggs to use financial transactions to stabilize its natural gas fuel costs, the City of Biggs must execute the Financial Addendum attached to the Natural Gas Program Agreement, and the election to use financial transactions is purely voluntary and is not required to participate in the Natural Gas Purchase Program; and

WHEREAS, the City of Biggs, as a Participant in the Natural Gas Purchase Program may direct NCPA to procure natural gas on its behalf from third parties using competitive bids submitted in response to a NCPA Request For Proposals, or through direct purchases from the State Department of General Services (“DGS”) Gas Program, or its successor program, so long as the DGS program is available; and

WHEREAS, all procurement of natural gas under the Natural Gas Purchase Program must meet certain conditions listed in the Natural Gas Program Agreement; and

WHEREAS, NCPA will procure natural gas on behalf of the City of Biggs using industry-standard forms of agreement for natural gas purchases, including NCPA’s standard form NAESB base contract, and associated special provisions, and such agreements for natural gas purchases may be modified in the discretion of the NCPA General Manager and NCPA’s General Counsel, after consultation with the City of Biggs; and

WHEREAS, NCPA has developed a model credit support addendum, and associated special provisions to the model credit support addendum, to be used in conjunction with the NCPA standard form NAESB base contract; and

WHEREAS, costs for participating in the Natural Gas Purchase Program include a) a monthly fixed charge, b) a variable charge that is allocated to each Participant, including the City of Biggs, in accordance with the Natural Gas Program Agreement, c) transaction specific costs associated with the City of Biggs' natural gas transactions, d) commodity costs specific to the City of Biggs' natural gas transactions, and e) initial start-up costs, including staff costs, legal costs and costs associated with establishing the third party gas purchase agreements that will be used under the Natural Gas Purchase Program; and

WHEREAS, the City of Biggs, as a Participant in the Natural Gas Purchase Program is required to deposit funds into a Security Account held by NCPA equal to the highest three (3) months of estimated commodity costs for all natural gas transactions the City of Biggs has or will subscribe to as estimated by NCPA, prior to entering into any natural gas transactions, and

WHEREAS, the environmental impact is addressed in the staff report; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Biggs delegates authority to the city administrator to execute the Natural Gas Program Agreement to provide a means for the City of Biggs to reduce the portion of its natural gas needs that would otherwise have to be obtained in a potentially volatile spot market, through the use of forward market purchases of natural gas; thereby assuring greater rate stability for its customers.

I HEREBY CERTIFY that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting to the City Council of the City of Biggs, held on the 18th of April, 2011, by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST:

Roben Dewsnup
CITY CLERK

APPROVED:

Roger L. Frith
MAYOR

RESOLUTION NO. 2011-10

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS RELATING TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES' EARLY IMPLEMENTATION GRANT FUNDING PROGRAM – AS A FORMAL ACKNOWLEDGMENT OF THE CURRENT LEVEL OF FLOOD RISK WITHIN THE CITY OF BIGGS

WHEREAS, in November 2006 the California voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, and the Disaster Preparedness and Flood Prevention Bond Act of 2006 (collectively “Proposition 1E and 84”); and

WHEREAS, the Federal Emergency Management Agency (FEMA) has determined that portions of the Feather River west levee protecting portions of Sutter and Butte Counties no longer provide 100-year flood protection; and

WHEREAS, the Sutter Butte Flood Control Agency (SBFCA) has developed a project of improvements that would rehabilitate the Feather River west levee; and

WHEREAS, the State has included the Feather River West Levee Rehabilitation Project in the State’s 2010-11 as a Capital Outlay Expenditure Project; and

WHEREAS, DWR advised SBFCA that before the State could execute a funding agreement to fund a share of the eligible project costs of its project, SBFCA must complete an application review process which includes demonstrating its financial capability to meet local cost share requirements and providing additional materials including a resolution adopted and signed by the Board of Directors of the Sutter-Butte Flood Control Agency formally acknowledging the current level of flood risk; and

WHEREAS, as a condition of granting such support, the State has required that SBFCA adopt a resolution acknowledging the present risk of flooding in the area and agreeing that any subsequent resolution which proposes to revise the related risk of flooding for the project area requires the written concurrence of the Department of Water Resources; and

WHEREAS, the City of Biggs, as a member of SBFCA, desires to additionally indicate its acknowledgment of the deficiencies of the Feather River westside levees, and its commitment to work with SBFCA in repair of said levees.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Biggs acknowledges that the existing levee system protecting the project area no longer provides 100-year flood protection; efforts are underway to improve this system; and that these efforts could result in a re-evaluation of the level of flood protection provided to City of Biggs. The City Council of the City of Biggs agrees that a change in circumstances, or a reevaluation of risk, may change the acknowledged risk of flooding.

BE IT FURTHER RESOLVED, that the Mayor of the City of Biggs and his/her designees are authorized by the Biggs City Council to represent the City of Biggs in dealings with the SBFCA and Department of Water Resources in matters relating to the Feather River West Levee Rehabilitation Program.

I HEREBY CERTIFY that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting to the City Council of the City of Biggs, held on the 18th day of April, 2011, by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST:

APPROVED:

Roben Dewsnup
CITY CLERK

Roger L. Frith
MAYOR