

RESOLUTION NO. 06-11

A RESOLUTION OF THE LANCASTER REDEVELOPMENT AGENCY APPROVING A JOINT POWERS AGREEMENT AMONG THE CITY, THE LANCASTER REDEVELOPMENT AGENCY, AND THE LANCASTER HOUSING AUTHORITY FOR THE ESTABLISHMENT OF THE LANCASTER POWER AUTHORITY, A JOINT POWERS AUTHORITY

WHEREAS, California energy prices are among the highest in the country. Such prices have been a serious concern to residents and businesses located within the state, and have hampered economic development and recovery efforts; and

WHEREAS, state and national incentives for alternative energy development as well as the deregulation and restructuring of the natural gas and electricity industry in California present unique opportunities to improve the competitiveness of the state and local communities; and

WHEREAS, Lancaster is well suited for the development of alternative energy production facilities as well as electrical transmission lines in support of alternative energy. The formation of the Lancaster Power Authority would provide local governments and private entities access to low cost energy for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California. In order to effectively develop these opportunities, Lancaster must establish a Joint Powers Authority; and

WHEREAS, the City has the authority under Article 11, Section 9, of the California Constitution, and other applicable law, to establish a municipal utility for natural gas and electric service including from alternative energy sources. Such a utility may develop alternative energy production facilities, purchase energy on the wholesale market, and pass savings on to its customers; and

WHEREAS, the City has determined that the most efficient manner of establishing a municipal utility for the purposes described above is the creation of a joint powers authority, among the City, the Lancaster Redevelopment Agency, and the Lancaster Housing Authority; and

WHEREAS, the City Council finds that the public interest, convenience and necessity require the formation of the referenced authority.

NOW, THEREFORE, BE IT RESOLVED BY THE LANCASTER REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby approves the "Joint Powers Agreement – Lancaster Power Authority," attached hereto as Exhibit "A" (hereafter, "Agreement"), and the establishment of the Joint Powers Authority ("Authority") described therein.

Section 2. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED on the _____ day of _____, 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
Agency Secretary
Lancaster Redevelopment Agency

R. REX PARRIS
Chairman
Lancaster Redevelopment Agency

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
REDEVELOPMENT AGENCY

I, _____, _____ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. 06-11, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE LANCASTER REDEVELOPMENT AGENCY, on this _____ day of _____, _____.

(seal)

RESOLUTION NO. 01-11

A RESOLUTION OF THE LANCASTER HOUSING AUTHORITY APPROVING A JOINT POWERS AGREEMENT AMONG THE CITY, THE LANCASTER REDEVELOPMENT AGENCY, AND THE LANCASTER HOUSING AUTHORITY FOR THE ESTABLISHMENT OF THE LANCASTER POWER AUTHORITY, A JOINT POWERS AUTHORITY

WHEREAS, California energy prices are among the highest in the country. Such prices have been a serious concern to residents and businesses located within the state, and have hampered economic development and recovery efforts; and

WHEREAS, state and national incentives for alternative energy development as well as the deregulation and restructuring of the natural gas and electricity industry in California present unique opportunities to improve the competitiveness of the state and local communities; and

WHEREAS, Lancaster is well suited for the development of alternative energy production facilities as well as electrical transmission lines in support of alternative energy. The formation of the Lancaster Power Authority would provide local governments and private entities access to low cost energy for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California. In order to effectively develop these opportunities, Lancaster must establish a Joint Powers Authority; and

WHEREAS, the City has the authority under Article 11, Section 9, of the California Constitution, and other applicable law, to establish a municipal utility for natural gas and electric service including from alternative energy sources. Such a utility may develop alternative energy production facilities, purchase energy on the wholesale market, and pass savings on to its customers; and

WHEREAS, the City has determined that the most efficient manner of establishing a municipal utility for the purposes described above is the creation of a joint powers authority, among the City, the Lancaster Redevelopment Agency, and the Lancaster Housing Authority; and

WHEREAS, the City Council finds that the public interest, convenience and necessity require the formation of the referenced authority.

NOW, THEREFORE, BE IT RESOLVED BY THE LANCASTER HOUSING AUTHORITY AS FOLLOWS:

Section 1. The Authority hereby approves the "Joint Powers Agreement – Lancaster Power Authority," attached hereto as Exhibit "A" (hereafter, "Agreement"), and the establishment of the Joint Powers Authority ("Authority") described therein.

Section 2. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED on the _____ day of _____, 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
Authority Secretary
Lancaster Housing Authority

R. REX PARRIS
Chairman
Lancaster Housing Authority

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
LANCASTER HOUSING AUTHORITY

I, _____, _____ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. 01-11, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE LANCASTER HOUSING AUTHORITY, on this _____ day of _____, _____.

(seal)

RESOLUTION NO. 11-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, APPROVING A JOINT POWERS AGREEMENT AMONG THE CITY, THE LANCASTER REDEVELOPMENT AGENCY, AND THE LANCASTER HOUSING AUTHORITY FOR THE ESTABLISHMENT OF THE LANCASTER POWER AUTHORITY, A JOINT POWERS AUTHORITY

WHEREAS, California energy prices are among the highest in the country. Such prices have been a serious concern to residents and businesses located within the state, and have hampered economic development and recovery efforts; and

WHEREAS, state and national incentives for alternative energy development as well as the deregulation and restructuring of the natural gas and electricity industry in California present unique opportunities to improve the competitiveness of the state and local communities; and

WHEREAS, Lancaster is well suited for the development of alternative energy production facilities as well as electrical transmission lines in support of alternative energy. The formation of the Lancaster Power Authority would provide local governments and private entities access to low cost energy for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California. In order to effectively develop these opportunities, Lancaster must establish a Joint Powers Authority; and

WHEREAS, the City has the authority under Article 11, Section 9, of the California Constitution, and other applicable law, to establish a municipal utility for natural gas and electric service including from alternative energy sources. Such a utility may develop alternative energy production facilities, purchase energy on the wholesale market, and pass savings on to its customers; and

WHEREAS, the City has determined that the most efficient manner of establishing a municipal utility for the purposes described above is the creation of a joint powers authority, among the City, the Lancaster Redevelopment Agency, and the Lancaster Housing Authority; and

WHEREAS, the City Council finds that the public interest, convenience and necessity require the formation of the referenced authority.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER AS FOLLOWS:

Section 1. The City Council hereby approves the "Joint Powers Agreement – Lancaster Power Authority," attached hereto as Exhibit "A" (hereafter, "Agreement"), and the establishment of the Joint Powers Authority ("Authority") described therein.

Section 2. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED on the _____ day of _____, 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. 11-15, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)

EXHIBIT A

JOINT POWERS AGREEMENT - LANCASTER POWER AUTHORITY

This Agreement ("Agreement") is made and entered into on March 8, 2011, by and among the City of Lancaster, a charter city and municipal corporation ("City"), the Lancaster Redevelopment Agency, a public body corporate and politic ("Agency"), and the Lancaster Housing Authority, a public body corporate and politic ("Housing Authority").

The parties hereto agree as follows:

Section 1. Recitals. This Agreement is made and entered into with respect to the following facts:

- (a) City has the authority to establish, own and operate a municipal gas and electric utility under California Constitution, Article 11, Section 9, and other applicable law.
- (b) City, Agency and Housing Authority have broad governmental powers, including the authority to acquire and operate real property for the benefit of the community.
- (c) City, Agency, and Housing Authority desire and intend for this Agreement to create a joint powers authority, as a separate legal entity, which in turn will employ or contract with a qualified person or persons, entity or entities to provide operational support to the municipal utility.
- (d) City, Agency, and Housing Authority have determined by their respective resolutions that the public interest, convenience and necessity require the formation of a municipal utility through a joint powers authority, and execution and implementation of this Agreement.

Section 2. Creation of Entity. There is hereby created a Joint Powers Authority, to be known as the "Lancaster Power Authority" (hereafter "JPA"). It is the intention of the parties to this Agreement to, and they do hereby, create a legal entity, separate from the parties to this Agreement, which entity shall be responsible for the administration and implementation of this Agreement.

Section 3. Purpose. The purpose of the JPA shall be to establish, own and operate a municipal gas and electric utility, for the benefit of the residents of the City, and customers, business and property owners in the City and/or to be served by the JPA. The public interest, convenience and necessity require that the municipal utility be operated by the JPA under this Agreement. The JPA is authorized to perform all the functions of a municipal utility allowed by law.

Section 4. Board of Directors. The JPA shall be governed by a Board of Directors, which shall consist of the members of the City Council of the City. The Mayor of the City shall serve as Chair of the Board, and the Vice-Mayor of the City shall serve as Vice-Chair of the Board.

Section 5. Staff to the JPA. The Board shall appoint an Executive Director, General Counsel and Treasurer, who shall serve at the pleasure of the Board. The Executive Director shall serve as Secretary to the JPA, and shall be the appointing authority for additional staff of the JPA including, without limitation, a General Manager, who shall serve at the pleasure of the Executive Director. The General Counsel may designate assistant or deputy counsel as he deems appropriate, who shall serve at the pleasure of the General Counsel. The Treasurer shall post such bond, if any, as determined by the agency board.

Section 6. Accounting; Audit. The Board shall take all steps reasonably required and necessary to provide for strict accountability as to all funds coming into possession of the JPA and shall provide from time to time, public reports of all receipts and disbursements. The Board shall annually employ a qualified person or entity to conduct an audit of its books and records. Such audit reports shall be filed as is required pursuant to Government Code §§ 6500, *et seq.*

Section 7. Common Powers. Each of the parties to this Agreement has broad governmental powers including the power to own and operate property for the benefit of the community. The contracting party designated for purposes of Government Code § 6509 is the City of Lancaster.

Section 8. Rights and Duties of JPA. The JPA created hereby shall have all of the rights, duties and powers available to it pursuant to applicable law including, without limitation, Government Code §§ 6500, *et seq.* Those rights, duties and powers shall include, for example, only and not by way of limitation:

- (a) the right to sue and be sued in its own name;
- (b) the right to issue revenue bonds or other evidences of indebtedness, including, at the option of the Board, bonds bearing interest, to pay the cost of any public capital improvement, working capital, or liability or other insurance program; provided, however, that any such bonds or other evidences of indebtedness so issued shall be deemed to be exclusively the obligation of the JPA and shall not constitute a debt, liability or obligation of any of the parties to this Agreement;
- (c) the right to enter into any agreement or contract, execute any instrument, and perform any act or thing necessary, convenient or desirable to carry out any power authorized by law;

- (d) set any terms and conditions on any purchase or sale pursuant to law as the JPA deems by resolution to be necessary, appropriate and in the public interest, in furtherance of the purposes of this Agreement;
- (e) the right to designate by resolution a service area or areas for service by the JPA, within or outside the territorial boundaries of the City of Lancaster, and to amend, revise or terminate service in such areas;
- (f) the right to establish, by resolution and on such terms as the Board deems appropriate, advisory boards to review and advise concerning rate tariffs, quality of service, and rules and regulations of operation, particularly in circumstances where the JPA delivers service outside the territorial boundaries of Lancaster;
- (g) the right to distribute revenues from JPA activities to any member entity for any lawful purpose, such as without limitation reimbursement for administrative expenses and to pay the cost of any public capital improvement, in the discretion of the Board;
- (h) the right to engage in housing, business retention, and development activities in areas served by the JPA;
- (i) the right to implement demand management and energy conservation and efficiency programs;
- (j) the right to enter into public and private contracts for the provision of gas and electric service, provided, however, that if the JPA is for any reason unable to sell and deliver electric service to end-use consumers, it shall be authorized and empowered to enter into agreements with the City, Agency, and/or Housing Authority or any other legal entity for the City, Agency, and/or Housing Authority, and/or such entity to purchase gas and electricity from the JPA and, in turn, sell and deliver to end-use consumers; and
- (k) the rights, duties and powers otherwise expressly set forth for a joint powers authority and/or municipal utility, together with those implied powers necessary to carry out powers expressly granted.

Section 9. Debts of JPA. The debts, liabilities and obligations of the JPA shall not constitute debts, liabilities or obligations of the parties to this Agreement.

Section 10. Actions. Actions by the Board shall be taken upon the majority vote of the members thereof, except where otherwise allowed or provided by law or resolution.

Section 11. Applicability of Laws. The JPA and its Board shall conduct affairs of the JPA in compliance with the provisions of the Ralph M. Brown Act and other applicable laws.

Section 12. Loans. The JPA Board, in its discretion, may by resolution authorize the receipt of loans from or the granting of loans to the City, Agency, and/or Housing Authority, on such mutually agreed terms and conditions as it deems appropriate.

Section 13. Term. The term of this Agreement shall be for a period of twenty (20) years, and shall thereafter renew for successive additional one year terms until terminated by the parties. This Agreement may be terminated by the joint mutual agreement of the parties hereto expressed in a written agreement which states the date of termination of this Agreement.

Section 14. Continued Existence of Members. In the event any party hereto ceases to exist for any reason, such party shall immediately, and without further action of the other parties, cease to be party to this agreement. It is the intent of the parties that the JPA shall continue in existence.

Section 15. Effect of Termination. Upon termination of this Agreement, any remaining assets of the JPA after payment of outstanding obligations shall be divided equally between the parties hereto.

Section 16. Binding Effect. The provisions of this Agreement shall be binding upon the parties hereto and their respective successors in interest.

Section 17. Section Headings. The section headings contained in this Agreement are for convenience and identification only and shall not be deemed to limit or define the contents of the sections to which they relate.

Section 18. Severability. This Agreement shall be deemed severable. If any provision or part hereof is judicially declared invalid, then the remaining provisions shall remain valid, and shall be interpreted in a manner which most gives effect to the intent and purposes of this Agreement.

Section 19. Modification. This Agreement shall not be modified except by written agreement of the parties hereto.

Section 20. Effective Date. This Agreement shall take effect as of March 8, 2011.

WHEREFORE, the parties have executed this Agreement as follows:

ATTEST:

CITY OF LANCASTER, a municipal corporation

Geri K. Bryan, CMC City Clerk

By: _____
R. Rex Parris, Mayor

ATTEST:

LANCASTER REDEVELOPMENT AGENCY

Geri K. Bryan, Agency Secretary

By: _____
R. Rex Parris, Chairman

ATTEST:

LANCASTER HOUSING AUTHORITY

Geri K. Bryan, Authority Secretary

By: _____
R. Rex Parris, Chairman

Approved as to Form:

By: _____
David R. McEwen, Legal Counsel