

#104
6/15/2021

(R-2021-494)

RESOLUTION NUMBER R- 313592

DATE OF FINAL PASSAGE JUN 22 2021

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE SUBORDINATION OF
DEBT AGREEMENT WITH RIVER CITY BANK REGARDING
SAN DIEGO COMMUNITY POWER.

WHEREAS, the Council of the City of San Diego (City), adopted San Diego Resolution R-312666 (Sep. 17, 2019), determined to form a joint powers authority with the cities of Chula Vista, Encinitas, Imperial Beach, and La Mesa for the purpose of providing community choice aggregation (CCA) electric commodity service in those cities; and

WHEREAS, the joint powers authority is now named San Diego Community Power (SDCP); and

WHEREAS, CCA is important to meeting climate action objectives in the member cities including the City's Climate Action Plan; and

WHEREAS, the City has funded and will fund certain activities necessary to implement the CCA program, and if the CCA Program becomes operational, the costs paid by the City are intended to be reimbursed from the payment of charges by customers of SDCP; and

WHEREAS, on April 6, 2021 the City approved San Diego Resolution R-313475 authorizing a Cooperation and Administrative Services Agreement with SDCP for the City's advanced payment of support service costs and provision of facilities to SDCP during the period of SDCP's operational start up; and

WHEREAS, the Cooperation and Administrative Services Agreement provides for City's reimbursement of the advanced startup costs in the future after SDCP subject to the proviso that SDCP has the sole and exclusive right to pledge sources of funds from rates to the repayment of other indebtedness incurred by the SDCP in implementing the CCA Program; and

WHEREAS, for purposes of obtaining start-up funding to provide CCA service SDCP is entering a Credit Agreement with River City Bank; and

WHEREAS, as a condition of funding, the River City Bank Credit Agreement requires other creditors of SDCP to subordinate their debt collection interests to the primary debt collection interest of River City Bank through a Subordination Agreement; and

WHEREAS, the successful implementation of CCA service by SDCP is of high importance to the City and it is in the City's interest to execute the Subordination Agreement with River City Bank so that SDCP may obtain capital necessary to commence operations;

NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor, or his designee, is hereby authorized to execute that certain Subordination Agreement with River City Bank according to the terms and conditions contained in the document on file in the Office of the City Clerk as Document No. R- 313592.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Frederick M. Ortlieb
Frederick M. Ortlieb
Senior Deputy City Attorney

FMO:als:cw
05/28/21
Or.Dept: Sustainability Department
CC No.: N/A
Doc. No.: 2672902

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 06/15/2021

ELIZABETH S. MALAND
City Clerk

By /s/ Stacy D. Ready
Deputy City Clerk

Approved: 6/22/21
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on JUN 15 2021, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 22 2021.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *Hy Prady*, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 313592