**RULE 20A CREDIT PURCHASE AGREEMENT**

This Agreement is made by and between the City of Weed, a California municipal corporation (herein, “City”) and County of Siskiyou, a political subdivision of the state of California, (herein, “County”).

**RECITALS**

1. Electric Utilities collect and annually allocate credits to communities to convert overhead electric facilities to underground electric facilities. (These credits are commonly referred to as “Rule 20A Credits”).
2. Jurisdictions with Rule 20A Credits, which they do not have the ability to use, may sell or donate their credits to other jurisdictions that have the ability to use them.
3. County currently holds a balance of $1,200,00.00 credits (“County Allocation”) for the benefit of the County, and the County currently has no active projects which can make use of the County Allocation.
4. City desires to purchase these credits from County to use in connection with a project to install street lights and underground utilities in its Bel Air neighborhood (the “City Project”).
5. County desires to transfer the County Allocation to the City to enable the Rule 20A Credits to be used for their intended purpose of undergrounding electric facilities and to derive economic benefit from the County allocation.

**AGREEMENT**

NOW THEREFORE, the Parties hereto agree as follows:

1. **Agreement to Transfer and Purchase Credits**. County agrees to, and does hereby, transfer and assign its rights and interest in the County Allocation to the City, and City agrees to, and does hereby, purchase the County Allocation in accordance with the terms of the Agreement.
	1. **Conditions**. This Agreement is contingent upon its notice and delivery to PacifiCorp.
2. **Consideration**. As consideration for its purchase of the County Allocation, City shall pay to County the sum of one hundred twenty thousand dollars ($120,000.00), which is equivalent to $0.10 per dollar of allocation. Payment shall be made in two installments. By or before May 31, 2020, the City shall make a payment to the County in the amount of sixty thousand dollars ($60,000.00). By or before May 31, 2021, the City shall make a second payment to the County of sixty thousand dollars ($60,000.00). In the event that a payment is not paid by the deadline, the overdue balance due shall thereafter bear interest at five percent (5%) per annum.
3. **Notice of Transfer**. Within ten (10) business days of the County’s receipt of the City’s first installment payment, County shall deliver a written notice to PacifiCorp, with a copy to the City, making a formal request to transfer and assign the County Allocation to and for the benefit of the City. County shall cooperate in good faith with the City to provide any additional documentation or information that is reasonably requested by PacifiCorp to complete the transfer.
4. **City’s Due Diligence**. City acknowledges and agrees that is has conducted its own investigation as to the applicability and transferability of the County Allocation for use in the City Project and that County has not made any representation or warranty to City with respect to same. The actual use of the County Allocation by City shall be subject to the rules and procedures adopted by PacifiCorp and such other conditions or requirements as are set forth in the Public Utilities Code.
5. **Effective Date**. This Agreement shall become effective on the date when both the approval of the Weed City Council and the Siskiyou County Board of Supervisors have been obtained.
6. **Indemnity.** City shall indemnify, defend and hold harmless County, its elected officials, officers, employees and agents, from any claim, damage or liability arising in connections with the use of Rule 20A Credits from the County Allocation in connection with the construction of the City Project.
7. **Waiver.** A waiver by either Party of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or different character.
8. **Counterparts**. This agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
9. **Notices.** All notices to be given pursuant to this Agreement shall be delivered in person, by U.S. mail, or by commercial overnight delivery to the following addresses.

**City of Weed**

Attention City Manager

City of Weed

P.O. Box 470

Weed, CA 96094

**County of Siskiyou**

Attention County Administrator

County of Siskiyou

1312 Fairlane Road

Yreka, California 96097

1. **Further Acts**. Each party agrees to promptly execute any documents, and undertake any acts, which may be reasonably necessary to carry out the stated intention of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates indicated below.

CITY OF WEED

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

 KEN PALFINI, MAYOR

 City Council

ATTEST:

SANDRA DUCHI

City Clerk

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Deputy

COUNTY OF SISKIYOU

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

 BRANDON A. CRISS, CHAIR

 Board of Supervisors

 County of Siskiyou

 State of California

ATTEST:

LAURA BYNUM

Clerk, Board of Supervisors

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Deputy

ACCOUNTING:

Fund Organization Account Activity Code (if applicable)

1001 0 560100

Encumbrance number (if applicable):

If not to exceed, include amount not to exceed:

*If needed for multi-year contracts, please include separate sheet with financial information for each fiscal year.*