

**RESOLUTION NO. 2697****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD  
IN OPPOSITION TO PROPOSITION 9 WHICH WOULD  
PROHIBIT COLLECTION OF A SURCHARGE FOR  
CAPITAL DEBT IN THE UTILITY INDUSTRY**

**WHEREAS**, Proposition 9 would dismantle California's new competitive electricity market, eliminating customer choice and competitive electricity rates; and

**WHEREAS**, the State Legislative Analyst and Department of Finance have determined that the net impact of this proposition on local governments would be revenue reductions potentially in the tens of millions of dollars annually through 2001 - 2002; and

**WHEREAS**, the Proposition could create a \$6 billion hole in the State Budget, resulting in significant reductions in funding to local government and critical services such as Police and Fire, impairing community health and welfare, public safety and community quality of life; and

**WHEREAS**, the precedence set by disallowing payment on rate reduction bonds could impair the ability of State and Local governments to secure low-cost financing for local infrastructure bonds and other types of bonds; and

**WHEREAS**, the Proposition serves only to create more bureaucracy and red tape and cost California taxpayers billions of dollars in lawsuits; and

**WHEREAS**, passage of this Measure could exacerbate the financial problems experienced through unfunded State mandates; and

**WHEREAS**, this Proposition jeopardizes the State's economic recovery by creating uncertainty for California-based companies, as well as those considering relocating to our State; and

**WHEREAS**, the League of California Cities voted to oppose the initiative; and

**WHEREAS**, this Proposition is poorly written, misguided, flawed and costly and will only serve to eliminate customer choice and competitive electricity rates.

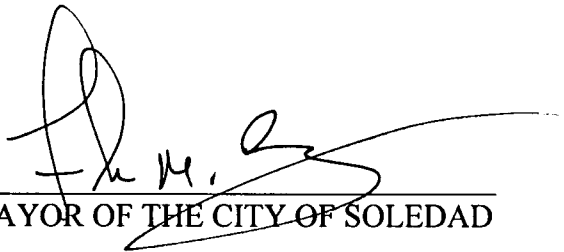
**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Soledad does hereby oppose Proposition 9 which would prohibit the collection of a surcharge for capital debt in the Utility Industry.

**PASSED AND ADOPTED** by the City Council at the regular meeting duly held on the 2nd day of September, 1998, by the following vote:

AYES, and in favor thereof, Councilmembers: Ben Jimenez, Jr., Fred Ledesma, Richard Ortiz, Mayor Pro Tem Gary Gerbrandt, Mayor Fabian Barrera

NOES, Councilmembers: None

ABSENT, Councilmembers: None

  
MAYOR OF THE CITY OF SOLEDAD

ATTEST:

  
CITY CLERK OF THE CITY OF SOLEDAD