

TUESDAY, MARCH 20, 2001

A special meeting of the Council of the City of Burbank was called to order this date at the Glendale Hilton, Tropico Room, 100 West Glenoaks Boulevard, Glendale, at 9:11 a.m., by Mr. Wiggins, Mayor.

ROLL CALL

Present- - - - Burbank Council Members Golonski, Kramer, Laurell, Murphy and Wiggins.  
Glendale Council Members Baker, Gomez, Manoukian and Weaver.  
Pasadena Council Members Streator, Tyler, and Bogaard.

Absent - - - - Burbank Council Members None.  
Glendale Council Member Brimberg.  
Pasadena Council Members Crowfoot, Little, Holden, Haderline, and Madison.

Also Present - Burbank - Mr. Ovrom, City Manager; Mr. Barlow, City Attorney; Mr. Stevenson, Senior Assistant City Attorney; Mr. Davis, Burbank Water and Power General Manager; and Ms. Valdivia, Municipal Records Clerk.  
Glendale – Mr. Starbird, City Manager; Mr. Trancoso, General Manager of Utility; Mr. Howard, City Attorney and Mrs. Twedt, City Clerk.  
Pasadena – Ms. Kurtz, City Manager; Mr. Martinez, Assistant City Manager; and Mr. Panzeka, Pasadena Water and Power General Manager.

The City of Glendale was the host of the tri-city special meeting.

Oral Communications Glendale Mayor Weaver called for oral communications at this time.

Citizen Comment Appearing to comment was Don Elsmore, Burbank resident, on concern with consumption of public energy at the federal level, and encouraging the three cities to work together to build new electrical facilities to protect the citizens of each community.

Mr. Starbird, stated that the purpose of this meeting was to present the three City Councils with an update on the status of the Tri-Cities Power Authority and to present an update to the Councils on utility legislation proposed in Sacramento.

Tri City Power Project Mr. Dan Waters, consultant, formerly the General Manger of the Los Angeles Department of Water and Power, presented the update of the Tri City Power Project to the three Councils. He discussed that the three City Managers and General Managers have been meeting periodically for months to talk about critical water and energy issues. He said that in

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January following the emergence of the energy crisis facing the State of California, the three cities decided this might be a good opportunity to work together to improve upon the electric service provided to their customers. He said that, although each City has sufficient electrical resources to meet the needs of their customers, each city also has the unique situation of having power plant sites located within their cities. He said that if each City could replace those older units with more efficient ones, the cities would have an opportunity to firm up their resources for each City for an indefinite period of time at a relatively low cost, and at the same time have the potential to get some revenues for the cities by helping out the State. He noted that by using more efficient units, the power capacity could almost be doubled within the Cities, emissions would be drastically reduced, and the State would be able to purchase energy capacity on a cost plus basis from the Cities.

He then explained that in February 2001, each City authorized the expenditure of funds to investigate and evaluate this proposal to build new units. To date, he said the Cities have acquired the services of engineering, legal, financial and environmental advisors, and additional lobbying support in Sacramento. At this point, he said the Cities believe it is feasible to develop up to 1500 megawatts in capacity at each of the three existing power plant sites which is enough to meet the needs of one and a half million citizens.

Mr. Waters said that the report on the economic and environmental benefits and potential impact on the Cities and the State is nearing completion. Currently he said there is strong support from the State legislators representing the three Cities, and said they have met with the Chief of Staff of the State Resources Agency, licensing managers of the California Energy Commission, and the Department of Water Resource managers that are responsible for negotiating and entering into long-term contracts. He noted that at every level there has been interest expressed with the Cities' proposal, however, there are a number of obstacles that must first be overcome.

He discussed that the first obstacle is getting the State to focus on the long-term problems they face. He noted that although everyone would agree that the State has both short and long term energy concerns, at this point the State is mainly concerned with avoiding a disaster by having adequate power supply this summer. However, he noted that the Cities

are evaluating what they might be able to do to assist the State this summer, but said that given the needs of the Cities, there is not a lot they could commit to the State at this time.

Mr. Waters said that another obstacle that the State must deal with is the fact that municipalities cannot afford to pass on large financial risks to their customers in an effort to help out the State. He noted that the State negotiators understand this issue and have assured that they have the responsibility to enter into contracts with the Cities that would basically relieve them of the financial responsibilities for developing these units. However, he said they have not at this point entered into this type of contract, but noted it does appear that they legally have the authorization to do so.

He then said that there were other obstacles related to licensing and availability of equipment to get new generating facilities on line that will need to be addressed by the Cities and the State.

Lastly, Mr. Waters noted the following upcoming activities: the RAND Corporation Report that addresses the potential benefits and impacts both to the State and the Cities should be available in the next few weeks; each City Council will be presented with a joint agreement to proceed with the proposal; the State has been asked to affirm their interest in the proposal and their willingness to assure the cities that they will assume the bulk of the financial risk for the Cities which will be in the form of a letter of intent; and, staff will continue to look into the licensing issues.

Mr. Ken Emanuels, Emanuels and Associates, lobbyist, began by stating that it was his belief that there was a great political advantage for a unified approach in the energy crisis noting that with the three Cities working together they can more easily deal with the legislature. He then introduced Jack Gualco, The Gualco Group, a lobbyist who specializes in energy issues, who he said would be aiding the three Cities to be both proactive and defensive regarding energy legislation. He noted that Mr. Gualco has been dealing with energy issues for 20 years and has gained expertise in this area that will be of great benefit to the Cities.

Mr. Gualco said that he is supportive of the three Cities working together and noted that the State has significant interest in working with local jurisdictions because they must meet their short term needs for their customers similar to the

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Cities, and because they recognize that local governments can serve as lead agencies and bring projects on-line in a very short timeframe.

He explained that his firm will work hard to make sure that the legislature as well as the administration will keep focused on the proposal from the three Cities. He did however note that, at this point, the relationship between the administration and legislature was fractured on the energy issue, but said both parties were eager to work together to meet the needs of the citizens of the State. He then said that his firm will work hard with both the legislature and administration to ensure that each of the Cities' rights and needs are adequately addressed and protected.

Adjournment      There being no further business to come before the Council, the meeting adjourned at 10:27 a.m.

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Judie Sarquiz, City Clerk

APPROVED MAY 15, 2001

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Mayor of the Council  
of the City of Burbank