

Agenda Report

August 19, 2002

TO: City Council
THROUGH : Municipal Services Committee

FROM: City Manager

SUBJECT: Authorization to Increase Spending Authority for Tri-City Effort to Seek Special Legislation to Construct New Electrical Power Generation

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to approve a journal voucher authorizing the appropriation of \$24,915.11 to account number 8114 from the Light and Power fund unappropriated fund balance.

BACKGROUND:

On February 5, 2001, Council approved an agenda report authorizing the City Manager to participate in a joint study, with the cities of Glendale and Burbank for the formation of an interim Joint Tri-City Power Agreement. In addition, the agenda report authorized the City Manager to enter into agreements for engineering, financial, legal, legislative advocacy and other consulting services as may be necessary, for a total cost of \$60,000 for Pasadena's share of an estimated \$180,000 tri-city expenditure.

This effort resulted in the hiring of five companies: The Rand Corporation, Fulbright and Jaworsky, Public Financial Management, The Gualco Group and Dan Waters.

With the assistance of these companies, Pasadena, Glendale and Burbank were able to track and respond to activities of the State Legislature and Governor's office during the energy crisis that occurred last year. The cities were able to take proactive positions in influencing the creation of new legislation, as well as the modification of existing legislation regarding the energy crisis in California. Furthermore, detailed information regarding ongoing operational issues was made available to the cities to allow for informed energy purchases as well as evaluating various electrical re-powering options.

During this timeframe, the City Managers, General Managers and utility staff of the cities of Burbank, Glendale and Pasadena met regularly to maintain coordination and communication among the three utilities. These meetings, along with the information

obtained by the four outside companies, allowed the three cities to perform very well during the energy crisis and provide reliable energy at consistent pricing to their customers.

The original tri-city estimate of \$180,000, which established Pasadena's share was established at a time when it was not possible to predict the duration of the energy crisis or the full range of services which would subsequently be required. The final amount owed by Pasadena, which is one-third of the actual amount, is \$84,915.11. The funds were spent as follows:

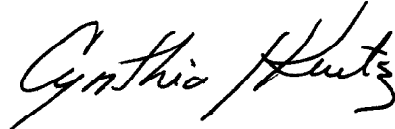
Summary of Expenditures

Organization	Services Provided	Total Expenditure	Pasadena Share
The Gualco Group	Legislative Analysis	\$114,551.04	\$38,183.68
Public Financial Management	Financial Analysis	\$0	\$0
Fulbright & Jaworski L.L.P.	Legal Representation	\$18,742.80	\$6,247.60
Rand Corporation	Industry Analysis	\$60,000.00	\$20,000.00
Dan Waters	Project Management	\$61,451.49	\$20,483.83
Total		\$254,745.33	\$84,915.11

Fiscal Impact

This project will increase the Power Fund operating expenses in FY 2003 by \$24,915.11. Sufficient funds are available in the Light and Power fund unappropriated fund balance to cover these incremental expenses.

Respectfully submitted,



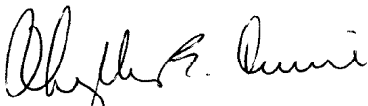
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