

MINUTES
JOINT MEETING OF THE LOMPOC CITY COUNCIL
AND THE UTILITY COMMISSION
Tuesday, May 29, 2001
City Hall Council Chambers

The meeting was called to order at 7:00 p.m. by Mayor DeWees.

Councilmembers Present: Mayor Dick DeWees, Janice Keller, Mike Siminski, DeWayne Holmdahl and Will Schuyler

Utility Commissioners Present: Dave Pierce, Chairperson; Bess Christensen, Vice-Chair; Bob Holloway, and Marvin Loney

Utility Commissioner Absent: Denise Caron

Staff Present: City Administrator Frank Priore, City Attorney Sharon Stuart, Utility Director Gary Keefe, and Staff Assistant Carol Smith.

ORAL COMMUNICATIONS: None.

DISCUSSION OF UTILITY COMMISSION ACTIVITIES AND ISSUES:

The Council and Commission discussed the possible construction of a power plant. Mr. Keefe stated that due to problems with transmission capacity and insufficient natural gas supply in this area, Northern California Power Agency (NCPA) does not plan to site a generator in Lompoc. However, they are considering several other locations, and moving forward to expand the Steam Injected Generation (STIG) site in Lodi. City staff is continuing a dialog with Nuevo Energy regarding their proposal to construct a plant. The company has an available natural gas supply, which they are seeking to increase by expanding their offshore drilling operations to include Tranquillion Ridge. They are currently pursuing approval by the appropriate regulatory agencies.

Councilmember Siminski provided information on NCPA=s efforts and strategies during the energy crisis. He stated the monthly business management report was very informative and that he would be providing copies to the Commission in the future. He also discussed NCPA=s legal response to PG&E=s recent bankruptcy filing. Mr. Siminski said he felt that staff=s and Council=s attendance at the upcoming Public Power Rally in Washington, D.C. would be critical to our representation by the legislators.

Mr. Keefe said that in legislative matters, interaction between elected officials is highly effective in achieving the City=s goals.

Mayor DeWees then turned the discussion to water matters.

Mr. Keefe reported on development of a plan to construct spreading grounds and recharge basins down gradient of the Santa Ynez River (east of the River between Robinson Bridge and Riverbend Park, and south of the River downstream beyond Riverbend Park).

Mayor DeWees asked the status of the State Water Resources Control Board hearings. Mr. Keefe said it is anticipated that Phase 2 of the hearings will begin in October 2001. Councilmember Keller requested an update on the AInvitation to Talk= group regarding water quality improvement in the Lompoc Valley. Mr. Keefe indicated that discussions remain in abeyance, pending completion of the hydrology section of the EIR. The administrative draft of the EIR is expected in June.

Councilmember Siminski commended the energy conservation programs that had been

approved by Council and recommended by the Commission. He encouraged the Commissioners to promote the programs whenever possible. Commissioner Holloway announced that the Commissioners will operate a conservation booth at the July 27, 2001 Farmers Market. He invited the Councilmembers to attend and participate.

Mr. Keefe advised that if Council approves the proposed City Budget, there would likely be an increase in sewer rates. The revenue will help fund construction of a new Wastewater Treatment Plant in order to meet increasingly strict discharge permit standards.

Councilmember Siminski said he would like the Commission to review a recent Community Services presentation on the City's solid waste rate study. The material proposes restructuring the system and the recycling program, and revision to the fee schedule.

Noting Councilmember Siminski's request, Mr. Keefe reminded Council that the Commission and the Utility Department are currently facing a substantial number of critical and work-intensive imperatives.

Councilmember Holmdahl raised the question of whether owners of existing businesses could deduct all or part of the cost of a new transformer from their taxes as a business expense. Mr. Keefe agreed he would look into the matter and accommodate City utility customers in any way possible.

Councilmember Keller thanked the Commissioners for their time and efforts on behalf of the City.

ADJOURNMENT:

At 7:00 P.M., the City Council adjourned to the Joint Meeting with the Planning Commission and the Utility Commission adjourned to their regularly scheduled meeting of June 4, 2001.

Dick DeWees, Mayor
City of Lompoc

Dave Pierce, Chair
Utility Commission

ATTEST:

Jane C. Green
City Clerk
Dated: June 13, 2001