

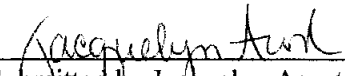


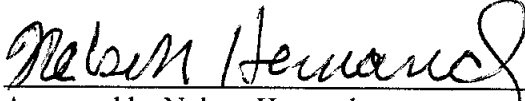
City of Carson

Report to Mayor and City Council

July 1, 2014
New Business Consent

SUBJECT: CONSIDERATION OF RESOLUTION NO. 14-055 TO TERMINATE THE UTILITY PIPELINE FRANCHISE WITH CARSON COGENERATION COMPANY


Submitted by Jacquelyn Acosta
Director of Administrative Services


Approved by Nelson Hernandez
City Manager

I. SUMMARY

Carson Cogeneration Company is requesting the City Council's approval to terminate their utility pipeline franchise, granted by Ordinance No. 87-782 and subsequently amended by Ordinance No. 90-904, within the City of Carson. Their request to terminate the existing franchise is a result of one of their customers no longer requiring the transmission of steam through the pipeline. The 1,071 feet of pipeline, which had only transported water/steam, was capped and abandoned in-place and then inspected by the Engineering Division. An abandonment fee of \$16,065.00 was paid to the City on April 14, 2014, and their \$100,000.00 bond was released. Therefore, staff is recommending that the City Council adopt Resolution No. 14-055 (Exhibit No. 1), terminating this pipeline franchise.

II. RECOMMENDATION

WAIVE further reading and ADOPT Resolution No. 14-055 "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, TERMINATING THE UTILITY PIPELINE FRANCHISE WITH CARSON COGENERATION COMPANY."

III. ALTERNATIVES

1. DENY the request.
2. TAKE another action the City Council deems appropriate.

IV. BACKGROUND

On February 2, 1987, the City Council adopted Ordinance No. 87-782 granting a non-public utility pipeline franchise (Franchise) to Carson Energy (Exhibit No. 2).

On December 21, 1987, the City Council adopted a minute order consenting to the following assignments of the Franchise: (1) assignment by Carson Energy to Carson Cogeneration Company, a California limited partnership, and (2) assignment, for purposes of securing financing by Carson Cogeneration Company to the Prudential Insurance Company of America (Prudential) (Exhibit No. 3).

On March 20, 1990, the City Council adopted Resolution No. 90-045 consenting to the following assignments of the Franchise: (1) assignment by Carson

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Cogeneration to Westinghouse Credit Corporation (Westinghouse), a Delaware corporation, and (2) assignment, for purposes of securing financing, by Westinghouse to Prudential (Exhibit No. 4).

On April 3, 1990, the City Council adopted Ordinance No. 90-904 amending Ordinance 87-782 to (i) increase the term of the Franchise from 25 to 35 years; and (ii) amend the fee schedule of the Franchise (Exhibit No. 5).

On August 1, 1999, Carson Cogeneration Company and U.S. Bank National Association (U.S. Bank) executed a Collateral Assignment of Franchise Agreement. Pursuant to the Collateral Assignment Agreement, Carson Cogeneration Company assigned to U.S. Bank, for purposes of securing financing, all of its rights, title, interest, privileges, benefits and remedies in, to and under the Franchise. On March 8, 2000, the City Council adopted Resolution No. 00-028 approving Carson Cogeneration's request for assignment, for purposes of securing financing, of the Franchise to U.S. Bank (Exhibit No. 6).

Staff recommends that the City Council adopt Resolution No. 14-055 terminating the utility pipeline franchise with Carson Cogeneration Company.

V. FISCAL IMPACT

In 2013, Carson Cogeneration Company paid the City \$308.24 in franchise fees. Also, on April 14, 2014, an abandonment fee of \$16,065.00 was paid to the City.

VI. EXHIBITS

1. Resolution No. 14-055. (pgs. 4 - 5)
2. Minutes, February 2, 1987, Item No. 42. (pg. 6)
3. Minutes, December 21, 1987, Item No. 2. (pg. 7)
4. Minutes, March 20, 1990, Item 31. (pg. 8)
5. Minutes, April 3, 1990, Item 32. (pg. 9)
6. Minutes, March 8, 2000, Item No. 9. (pg. 10)

Prepared by: Boris Sztorch, Revenue Manager

TO: Rev05-13-2014

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council	
Date _____	Action _____

RESOLUTION NO. 14-055

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CARSON, CALIFORNIA, TERMINATING THE UTILITY PIPELINE
FRANCHISE WITH CARSON COGENERATION COMPANY

WHEREAS, on February 2, 1987, the City Council adopted Ordinance No. 87-782 granting a non-public utility pipeline franchise ("Franchise") to Carson Energy;

WHEREAS, on December 21, 1987, the City Council adopted a minute order consenting to the following assignments of the Franchise:

1. The assignment by Carson Energy to Carson Cogeneration Company ("Carson Cogeneration" herein), a California limited partnership.
2. The assignment, for purposes of securing financing by Carson Cogeneration to the Prudential Insurance Company of America ("Prudential" herein).

WHEREAS, on March 20, 1990, the City Council adopted Resolution No. 90-045 consenting to the following assignments of the Franchise:

1. The assignment by Carson Cogeneration to Westinghouse Credit Corporation ("Westinghouse" herein), a Delaware corporation.
2. The assignment, for purposes of securing financing, by Westinghouse to Prudential.

WHEREAS, On April 3, 1990, the City Council adopted Ordinance No. 90-904 amending Ordinance 87-782 to (i) increase the term of the Franchise from twenty-five to thirty-five years; and (ii) amend the fee schedule of the Franchise.

WHEREAS, on August 1, 1999, Carson Cogeneration and U.S. Bank National Association ("U.S. Bank" herein) executed a "Collateral Assignment of Franchise" agreement ("Collateral Assignment Agreement" herein). Pursuant to the Collateral Assignment Agreement, Carson Cogeneration assigned to U.S. Bank, for purposes of securing financing, all of its rights, title, interest, privileges, benefits and remedies in, to and under the Franchise.

WHEREAS, on March 8, 2000, the City Council adopted Resolution No. 00-028 approving Carson Cogeneration's request for assignment, for purposes of securing financing, of the Franchise to U.S. Bank.

WHEREAS, Carson Cogeneration seeks to terminate the Franchise due to non-usage of the pipeline and a need to abandon the pipeline.

WHEREAS, the City Council does not object to the termination of the Franchise.



NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

Section 1. The governing body of the City of Carson hereby terminates the Franchise, granted by Ordinance No. 87-782 and subsequently amended by Ordinance No. 90-904.

Section 2. This resolution shall supersede all prior minute orders, resolutions and ordinances regarding the Franchise.

Section 3. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 1st day of July 2014.

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney



ORDINANCES -
SECOND READING

Item 38.

ORDINANCE NO. 87-777

Amending the Carson
Municipal Code Article VI
Chapter 8 (Pipeline
Franchises)

Ordinance No. 87-777, entitled,

"AN ORDINANCE OF THE CITY OF CARSON AMENDING THE CARSON
THE CARSON MUNICIPAL CODE ARTICLE VI, CHAPTER 8 (PIPELINE
FRANCHISES"

WAS READ BY TITLE ONLY with FURTHER READING WAIVED, PASSED,
APPROVED and ADOPTED on motion of Mills, and seconded by Calas
and unanimously carried with Muise absent.

Item 39.

ORDINANCE NO. 87-779

Consenting to the Assign-
ment and transfer of GATX
Terminals Corp. of a
Pipeline Franchise
Previously Granted to
Continental Oil Corp.
Ordinance No. 76-383

Ordinance No. 87-779, entitled,

"AN ORDINANCE OF THE CITY OF CARSON CONSENTING TO THE
ASSIGNMENT AND TRANSFER TO GATX TERMINALS CORPORATION
OF A PIPELINE FRANCHISE PREVIOUSLY GRANTED TO CONTINENTAL
OIL CORPORATION AND AMENDING ORDINANCE NO. 76-383"

AS READ BY TITLE ONLY with FURTHER READING WAIVED, PASSED,
APPROVED and ADOPTED on motion of Mills, and seconded by Calas
and unanimously carried with Muise absent.

Item 30.

ORDINANCE NO. 87-780

Repealing Ord. No.
81-568 Granting a Pipe-
Line Franchise to
Watson Biogas Systems

Ordinance No. 87-780, entitled:

"AN ORDINANCE OF THE CITY OF CARSON REPEALING ORDINANCE NO.
81-568 GRANTING A PIPELINE FRANCHISE TO WATSON BIOGAS SYSTEMS"

WAS READ BY TITLE ONLY with FURTHER READING WAIVED, PASSED,
APPROVED AND ADOPTED on motion of Calas, and seconded by Mills
and unanimously carried.

Item 41.

ORDINANCE NO. 87-781

Repealing Ordinance
No. 78-453 Granting a
Pipeline Franchise to
Sohio Transportation
Company of California

Ordinance No. 87-781, entitled:

"AN ORDINANCE OF THE CITY OF CARSON REPEALING ORDINANCE
NO. 78-453 GRANTING A PIPELINE A PIPELINE FRANCHISE TO SOHIO
TRANSPORTATION COMPANY OF CALIFORNIA"

WAS READ BY TITLE ONLY with FURTHER READING WAIVED, PASSED,
APPROVED and ADOPTED on motion of Mills, and seconded by Calas
and unanimously carried with Muise absent.

Item 42.

ORDINANCE NO. 87-782

Granting a Pipeline
Franchise to Carson
Energy, Inc.

Ordinance No. 87-782, entitled:

"AN ORDINANCE OF THE CITY OF CARSON GRANTING A PIPELINE
FRANCHISE TO CARSON ENERGY, INC."

WAS READ BY TITLE ONLY with FURTHER READING WAIVED, PASSED,
APPROVED and ADOPTED on motion of Mills, and seconded by Calas
and unanimously carried with Muise absent.

ORAL COMMUNICATIONS

AUDIENCE

Carl Robinson re

- 1) Circuit Bus; 2)
- Closed-Session; 3)
- Bitterlake Landscaping;
- 4) Compton School Dis.;
- 5) 1962 taxes; 6) Oral
- Communications; and
- 7) Candidates's
- Residency

Carl Robinson, 17917 Lysander Drive, Carson, California, commented
on the following: 1) the extension of the Carson Circuit Bus; 2)
clarification of the closed session decision; 3) the status of
Bitterlake landscaping; 4) the status of Compton School District;
5) the 1962 taxes that were rescinded; 6) placement of oral
communications on the agenda and 7) concern of a candidate's
residency.

Mayor Pro Tem Mills suggested that Mr. Robinson address his
concerns to the related staff.

WRITTEN
COMMUNICATIONS

The following Written Communication was presented to the City Council with a recommendation to receive and file:

Item 1.

NOTICE OF APPLICATION, Butterfly Bus Shuttle, to the Public Utilities Commission to provide a van-type passenger service in the Southern California area.

Mayor Pro Tem DeWitt moved to approve the the staff recommendation to receive and file, seconded by Calas and unanimously carried with Mills and Muise absent.

NEW BUSINESS

Item 2. (46)
Carson Energy, Inc.
(Assignment)

Staff recommended that the City Council approve the assignment and that the City Attorney be instructed to make the required change in the franchise.

Patrick Del Duca, 15th Floor, 400 S. Hope Street, Los Angeles, California 90071-2899, representing Carson Energy, Inc., identified the general partners as follows: Carson Energy, Inc., who is the entity, and Messrs. John B. Bishop and Steven Gabriel, limited partners, who are shareholders of Carson Energy, Inc.

Councilman Mitoma moved to approve the staff recommendation subject to review and approval and specifications outlined by the City Attorney to have the franchisee execute the bond, seconded by Calas and unanimously carried with Mills and Muise absent.

NEW BUSINESS
CONSENT

The following routine items of business were presented to the City Council and were previously approved on motion of DeWitt, seconded by Calas and unanimously carried with Mills and Muise absent.

Item 4.

Re to approve making Christmas Eve and New Year's Eve half-day holidays, closing City Hall at noon on those days.

Mayor Calas announced that the City Council is happy to enable the employees to enjoy the holidays and spend time with their families.

Item 5.

Re to approve the selection of Mr. John Prindeville as Director of Personnel;

Item 6.

Re to approve and adopt Resolution No. 87-132, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION IN SAID CITY ON TUESDAY, THE 12TH DAY OF APRIL, 1988, FOR THE ELECTION OF CERTAIN OFFICERS OF SAID CITY AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES;"

Item 7.

Re to approve and adopt Resolution No. 87-133, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO RENDER SPECIFIED SERVICES TO SAID CITY RELATING TO THE CONDUCT OF A GENERAL MUNICIPAL ELECTION TO BE HELD IN SAID CITY ON TUESDAY, APRIL 12, 1988;"

Item 8.

Re to approve and adopt Resolution No. 87-134, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE, PERTAINING TO MATERIALS SUBMITTED TO THE ELECTORATE AND THE COSTS THEREOF FOR THE GENERAL MUNICIPAL ELECTION TO BE HELD IN SAID CITY ON TUESDAY, THE 12TH DAY OF APRIL, 1988," limiting the words for the Candidate's Statement not-to-exceed 200 words each and that such cost of printing of said statement to be assumed by said candidate to be payable upon receipt thereof; and that only the candidates who request translation and printing be translated and printed in the voters' pamphlet at the expense of the candidate;

Item 31.
Approval of Assign-
ment of Franchise
Held by Carson
Cogeneration and
Introduction of
Ordinance Amending
Franchise

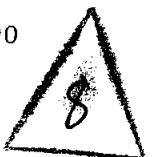
Staff recommended that the City Council:

1. Adopt Resolution No. 90-045, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON APPROVING THE ASSIGNMENT OF FRANCHISE TO WESTINGHOUSE CREDIT CORPORATION FROM CARSON COGENERATION COMPANY APPROVING THE COLLATERAL ASSIGNMENT OF FRANCHISE BY WESTINGHOUSE CREDIT CORPORATION TO PRUDENTIAL INSURANCE COMPANY OF AMERICA."
2. Introduce Ordinance No. 90-904, "AN ORDINANCE OF THE CITY OF CARSON EXTENDING THE TERM OF ORDINANCE NO. 87-782 TEN (10) YEARS TSO THAT THE NEW EXPIRATION DATE OF THE FRANCHISE IS DECEMBER 4, 2022."
3. Authorize the Mayor to sign the agreement for the City not to give notice of termination to Carson Cogeneration Company until it has given notice to Prudential Insurance Company and Westinghouse Credit Corporation.
4. Adopt a minute order approving the above assignment subject to City Attorney approval of the performance bond or alternate security.
5. Require Carson Cogeneration Company to pay \$3,333 for a pro rata portion of the base grantors fee for the ten (10) year extension of the franchise and require Westinghouse Credit Corporation to pay \$2,500 transfer fee to cover the City's cost of processing the assignment application and preparing the necessary documents for approval. (Note: Recommendation No. 5 was corrected by Wendy Nishikawa, representing Carson Cogeneration Company, to reflect that Carson Cogeneration is the agency that will pay \$3,333 instead of Westinghouse Credit Corporation.)

Wendy Nishikawa, 610 Newport Center Drive, Ste. 1700, Newport Beach, California 92660, representing Carson Cogeneration Company, explained that cogeneration is an extremely efficient means of

producing energy. She briefly described that this facility would sell electricity to Southern California Edison Company, generate revenues and sales, and would pay franchise fees to the City. She requested that the Council approve the resolution and introduce the ordinance.

It was moved to approve staff recommendation Nos. 1, 2, 3, 4, and 5, as amended by Ms. Nishikawa, on motion of Mitoma, seconded by Anderson and carried with DeWitt abstaining.



repeating offenders or cases of extensive damage, it is a felony which carries a \$5,000 fine. On such a complaint, a deputy district attorney would prosecute.

Item 29.
Authorization to
Prepare Ordinance
Imposing Parental/
Guardians Liability
for Delinquent and
Criminal Actions of
Their Minor Children

Staff recommended that the City Council authorize the City Attorney and Public Safety Director to prepare a parental liability ordinance as outlined in the staff report.

It was moved to refer this matter to the Anti-Crime Task Force and that a report be provided to the Council on March 15, 1990 on motion of Muise, seconded by Mitoma and unanimously carried.

ORDINANCE
SECOND READING

Item 31.
ORDINANCE NO. 90-902
Fixing the Compensa-
tion of the City
Clerk and City Trea-
surer and Amending
the Carson Municipal
Code

Ordinance No. 90-902, entitled:

"AN ORDINANCE OF THE CITY OF CARSON FIXING THE COMPENSATION OF THE CITY CLERK AND CITY TREASURER AND AMENDING THE CARSON MUNICIPAL CODE"

WAS READ BY TITLE ONLY with FURTHER READING WAIVED, PASSED, APPROVED and ADOPTED on motion of Muise, seconded by Mitoma and carried with Calas voting NOE and DeWitt abstaining.

Item 32.
ORDINANCE NO. 90-904
Amending Ordinance
No. 87-782, Granting
a Pipeline Franchise
to Carson Energy, Inc.

Ordinance No. 90-904, entitled:

"AN ORDINANCE OF THE CITY OF CARSON AMENDING ORDINANCE NO. 87-782, GRANTING A PIPELINE FRANCHISE TO CARSON ENERGY, INC."

WAS READ BY TITLE ONLY with FURTHER READING WAIVED, PASSED, APPROVED and ADOPTED on motion of Muise, seconded by Mitoma and unanimously carried.

City Attorney Watson instructed the City Clerk to withhold certification pending the agreement.

RECESS

The meeting was Recess at 7:16 P.M. by Mayor Mitoma to the Redevelopment Agency.

RECONVENE AND
RECESS TO CLOSED
SESSION

The meeting was Reconvened at 7:33 P.M. by Mayor Mitoma with all members previously noted present and Recessed to a Closed Session regarding Item No. 4, Amendment to Resolution of Benefits.

RECONVENE

The meeting was Reconvened at 7:54 P.M. by Mayor Mitoma with all members previously noted present.

**ITEM NO. (8) APPROVAL OF RATE ADJUSTMENT/CARSON CIRCUIT CONTRACTOR,
TRANSPORTATION CONCEPTS, INC. (ENGINEERING)**

RECOMMENDATION for City Council:

1. **APPROVE** the five percent interim rate increase for Transportation Concepts, Inc.

ACTION: This item was approved on Consent Calendar on motion of Sweeney, seconded by Calas and unanimously carried.

**ITEM NO. (9) CARSON COGENERATION COMPANY REQUEST FOR COLLATERAL
ASSIGNMENT OF FRANCHISE ORDINANCE NO. 87-782, AS AMENDED
BY ORDINANCE NO. 90-904, RESOLUTION NO. 00-028 (FINANCE)**

RECOMMENDATION for City Council:

TAKE the following actions:

1. **WAIVE** further reading and **ADOPT** Resolution No. 00-028, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING ASSIGNMENT, FOR PURPOSES OF SECURING FINANCING, OF A NONPUBLIC UTILITY PIPELINE FRANCHISE BY CARSON COGENERATION COMPANY TO U. S. BANK NATIONAL ASSOCIATION."
2. **IMPOSE** an administrative processing fee in the amount of \$2,000 to recover the City's costs to process the assignment.

ACTION: This item was approved on Consent Calendar on motion of Sweeney, seconded by Calas and unanimously carried.

**ITEM NO. (10) AWARD OF PURCHASE CONTRACT FOR TWO FIELD-GROOMING
MACHINES (FINANCE)**

RECOMMENDATION for City Council:

TAKE the following actions:

1. **AWARD** a purchase contract in the amount of \$25,527.52 to California Turf for two athletic field-grooming machines.
2. **AUTHORIZE** the disposal of City unit nos. 499 and 500.

ACTION: This item was approved on Consent Calendar on motion of Sweeney, seconded by Calas and unanimously carried.