

**CITY MANAGER'S
WEEKLY NEWSLETTER
August 25, 2006**

CONFIDENTIAL

1. LANDFILL GAS-TO-ENERGY

However, a new issue has arisen regarding electrical costs at the Flare Station/Pre-treatment Plant at the landfill. We noticed an unusually high electrical bill for the Flare Station this past month. It more than doubled at a new monthly cost of approximately \$1,300. Upon investigation, we discovered that Janechek is running his equipment inefficiently off the same meter as the Flare Station. Janechek's Site Lease Agreement indicates that WUA is only responsible for "costs, expenses, and obligations relating to property that are required to be capitalized," which would not include electrical expenses. The contract also obligates WUA to "provide and pay for any electricity used by J&A for the start-up of J&A's facilities." Since "start-up" is not defined in the contract, we intend to begin billing J&A for electrical costs associated with his ongoing operation of the Pre-treatment Plant.

2. SIDEWALK CONSTRUCTION AND ACCESS RAMPS

You approved the construction contract to construct sidewalks and access ramps at Parnell Park and along Norwalk Boulevard from Howard Street to Rose Drive. The project is funded by the Transportation Development Act (SB 821) funds.

Community Services requested additional sidewalk (to allow for better access for persons with physical disabilities) to be added to the Parnell Park project site. Public Works is negotiating a change order with the contractor to substitute the additional sidewalk at Parnell Park for the sidewalk along Norwalk Boulevard.

The Accessibility Committee has approved the added sidewalk for Parnell Park. The sidewalk along Norwalk Boulevard will be constructed under a separate contract using funds from the Safe Routes to School grant that the City has just received.

3. THE SLOWDOWN IN THE HOUSING MARKET IS AFFECTING SOME OF OUR DEVELOPMENT

We have already heard from the Olson Co. and Hagop Sargisian who are re-evaluating the financial feasibility of the projects they have underway in our city. That doesn't mean that they are giving up, but it probably does mean that they will be either re-structuring their land purchases or asking us for financial assistance. I expect to be in a position to talk to you about this issue as it relates to the Olson Co. project in our Executive Session on September 12th.

4. WHITTIER KIA

Sil Gonzales and Miguel Mejia met on Thursday to discuss the concept of having Whittier Mitsubishi absorb the Kia franchise into their dealership. I think it would be very good for us if that happened and

5. ATTACHED TIMES EDITORIAL OPINION

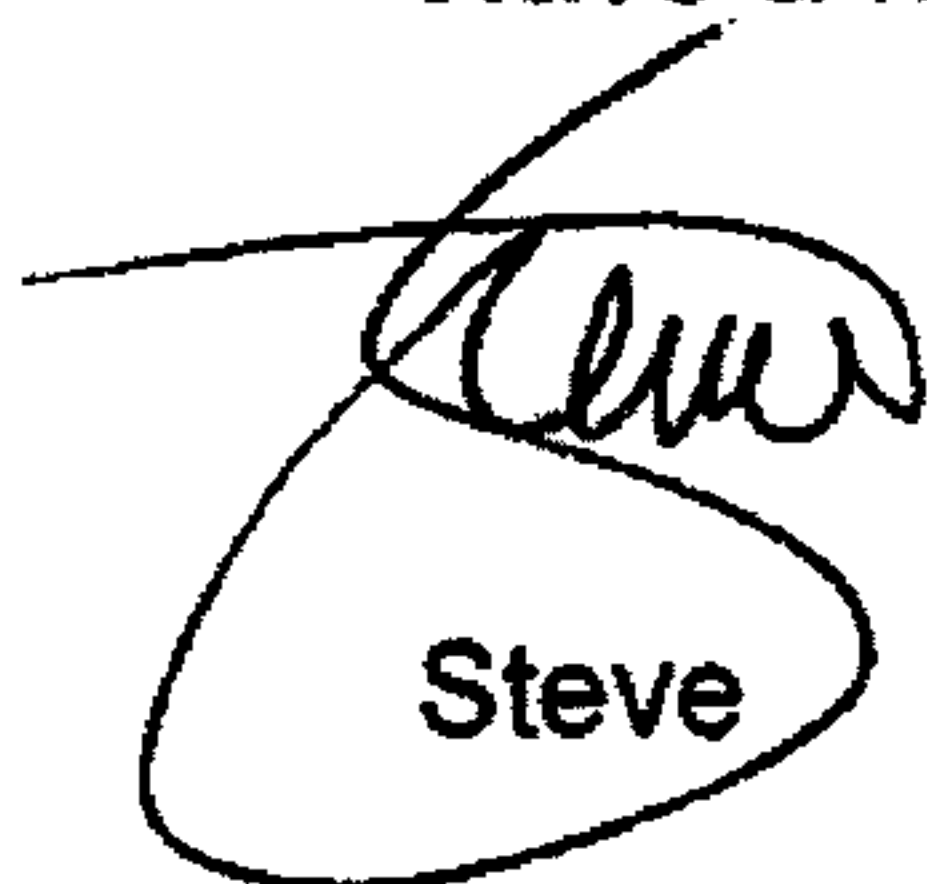
I have attached the editorial titled, "Why the Lights Go Out in California", because it references Community Choice Aggregation (CCA). The fact that I've been working with a Whittier resident, Mike Burke, for some time on this idea is something that we haven't spoken much about. We are definitely working on getting to the facts that would support a staff recommendation to either officially pursue CCA or not. It has some potential to be a significant revenue source for us and we'd be remiss if we didn't seriously consider it. I'd be happy to explain more about it if you have an interest in it at this early stage.

6. "WELL, LISTEN TO A STORY ABOUT A MAN NAMED JED....."

That's right, oil, black gold, Texas tea. The more that Mochizuki and I talk about abandoning that old well up at the landfill, the more we think that we're nuts if we don't take a look at whether or not the City should be sucking up some of that black gold now that it's worth \$70 a barrel. I've ask the Matrix Oil geologist to take a peek at our mineral rights to see if we have a pot of gold sitting right under us. He's doing it as a "freebie" and I'll let you know what we find out. Hey, what have we got to lose?

GREAT JOB FROM EVERYONE DEALING WITH THE NELLES ISSUES THIS WEEK. WE HAVE ANOTHER BUSY WEEK IN FRONT OF US, BUT I THINK THAT WE'RE MAKING GREAT PROGRESS.

Have a nice weekend!



Steve