Los Angeles, California, December 17, 2013

MINUTES OF SPECIAL MEETING OF THE BOARD OF
WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES
HELD IN ROOM 1555-H
DECEMBER 17, 2013
9:20 A.M.

Meeting called to order by President Mel Levine and roll called:

Present – Commissioners: President Levine
William W. Funderburk, Jr.
Jill Banks Barad
Michael F. Fleming
Christina E. Noonan

Absent – None

A quorum present.

IN ATTENDANCE were the following:

Ronald O. Nichols, General Manager
Martin L. Adams, Director of Water Operations, Water System
Bassam Abou-Chakra, Electrical Engineer, Power System
Aram Benyamin, Senior Assistant General Manager – Power System, Power System
Joseph Brajevich, Assistant General Counsel, Water and Power, City Attorney’s Office
Richard M. Brown, General Counsel, Water and Power, City Attorney’s Office
Daryl A. Buckley, Electrical Service Manager, Power System
David Jacot, Director of Energy Efficiency
Philip Leiber, Chief Financial Officer, Financial Services Organization
James B. McDaniel, Senior Assistant General Manager – Water System, Water System
Nelson Mejia, Waterworks Engineer, Water System
Thomas G. Patzlafl, Fleet Services Manager, Systems Support Division
Larry J. Reynosa, Management Analyst, Environment and Efficiency Division
Julie Riley, Deputy City Attorney, City Attorney’s Office
Ann M. Santilli, Assistant Chief Financial Officer and Controller, Financial Services Organization
Michael S. Sullivan, Fleet Services Manager, Systems Support Division
Gwendolyn W. Williams, Director of Supply Chain Services
Gary E. Wong, Assistant General Manager - Systems Support Division, Systems Support Division

Also, in attendance:

Camden Collins, Rate Payer Advocate
Guy Lipa, Mayor’s Office
Frederick Pickel, Executive Director/Ratepayer Advocate, Office of Public Accountability
Miguel A. Santana, City Administrative Officer
ITEM NO. 1 – Opening remarks by the Commission President on agenda and other items relating to Department operations.

ITEM NO. 2 – A report/briefing was given by the General Manager.

ITEM NO. 3 – Comments and/or requests from Commissioners relating to Department operations.

Commissioners Fleming and Noonan – Amend Resolution to provide information on what LAWA and the Convention Center are doing regarding food service and how LADWP can learn from their business model. Also provide an update on the development of this Business model and contract in 90 days (From Board Item 14).

All Commissioners – How do these three Bids impact rates and how do these contract compare to in-house work on the reliability program. Also work with the Rate Payer Advocate to reply to his requests on these contracts. Make sure that benchmarking goals are also established (From Items 15-17).

Commissioner Levine – Create an Agenda Item regarding the Mayor’s Memo on Benchmarking for the next Board Meeting.

Commissioner Levine – Board Motion from Commission for Item No. 22:

1. If counsel responds that there is nothing to preclude DWP Management members of the Trust from withholding approval of checks until the Union Trustee members cooperate with the Controller, that the Management Trustees withhold approval of checks until the Union Trustee members cooperate with the Controller on the Audit.

2. If there is any legal reason that precludes the DWP Management members from withholding approval, that the Management members keep a record of each check that is approved, the purposes of the expenditure, and report that back to the Board on a monthly basis.

3. That the Board direct the Management Trustees to do all that they can to ensure that all records are retained with regard to any expenditures that have occurred at any time so they can be made available to the Controller’s auditors.

ITEM NO. 4 – The Secretary presented the opportunity for the public to address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board.

ITEM NO. 5 – Potential Comments or Reports from Ratepayer Advocate – Comments were made on Board Items 15 – 17 by Camden Collins and Frederick Pickel, RPA addressed the Board.

Written recommendation, approved by the General Manager, transmitting the following resolutions, approved as to form and legality by the City Attorney:
Commissioner Barad moved adoption of the following six resolutions, approved as to form and legality by the City Attorney:

ITEM NO. 6 – Approval of the minutes of the following meetings of the Board of Water and Power Commissioners. 1) Special meeting, December 3, 2013 (9:00 a.m.) and 2) Special meeting, December 3, 2013 (11:00 a.m.)

ITEM NO. 7 – Bid No. 404 to procure pole line hardware for overhead distribution. Award to WESCO Distribution for a total amount not to exceed $2,771,186 for a period of one year with two optional one-year periods. Submitted by Senior Assistant General Manager – Power System.

RESOLUTION NO. 19627

WHEREAS, through a competitive bid process, the Los Angeles Department of Water and Power (LADWP) issued a solicitation to procure pole line hardware, under Bid No. 404; and

WHEREAS, WESCO Distribution (WESCO), is the lowest evaluated bidder under their alternate bid due to Local Business Preference for Groups of Items 1-35 and 36-47; and the lowest responsive bidder under their initial bid for Group of Items 48-64, under Bid No. 404.

NOW, THEREFORE, BE IT RESOLVED that WESCO is awarded Contract No. 404 for a total amount not to exceed $2,771,186.00, for a period of one year with two optional one-year periods.

BE IT FURTHER RESOLVED that Contract No. 404 approved as to form and legality by the City Attorney, and filed with the Secretary of the Board, is hereby approved.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, in accordance with the terms of this contract awarded pursuant to Bid No. 404 and this resolution.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said contract for and on behalf of the LADWP.

ITEM NO. 9 – Bid No. 7419 for Forklifts, Including Service, Repair and Operator Training. Award to: A) Yale Chase Equipment & Services, Inc. for a total amount not to exceed $2,118,377 (Groups A and F) and B) Southern California Material Handling, Inc. for a total amount not to exceed $2,826,086 (Group B). This contract is for a one-time purchase. Submitted by Senior Assistant General Manager – Power System, Senior Assistant General Manager – Water System and Assistant General Manager – Systems Support Division.

RESOLUTION NO. 19628

WHEREAS, through a competitive bid process the Los Angeles Department of Water and Power (LADWP) issued a solicitation to procure forklifts under Bid No. 7419; and

WHEREAS, Yale Chase Equipment & Services, Inc. (Yale) is the lowest bidder under their initial bid for Groups A and F and Southern California Material Handling, Inc. (SCM H) is the lowest bidder under their initial bid for Group B under Bid No. 7419.
NOW, THEREFORE, BE IT RESOLVED that Yale is awarded the contract for a total amount not to exceed $2,118,377.00 and SCMH is awarded the contract for a total amount not to exceed $2,826,086.00 and under Contract No. 7419.

BE IT FURTHER RESOLVED that Contract No. 7419 approved as to form and legality by the City Attorney, and filed with the Secretary of the Board, is hereby approved.

BE IT FURTHER RESOLVED that pursuant to City Charter Section 1022, the Board finds that it is more feasible to have the work performed by an independent contractor.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, in accordance with the terms of this contract awarded pursuant to Bid No. 7419 and this resolution.

BE IT FURTHER RESOLVED that the President or Vice President, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said contract for and on behalf of LADWP.

ITEM NO. 10 – Authorizes execution of Agreement No. 47977 (Amendment No. 1) with WorleyParsons Group, Incorporated to provide reclaimed water utilization services. This Amendment will extend the contract by 24 months. Council approval is required.

RESOLUTION NO. 014 120

WHEREAS, WorleyParsons Group, Incorporated (WorleyParsons) was awarded Agreement No. 47977 on December 20, 2010, to provide reclaimed water utilization services for three years; and

WHEREAS, the Los Angeles Department of Water and Power's (LADWP) Power System recommends approval of Amendment No.1 to Agreement No. 47977 with WorleyParsons to extend the contract period by 24 months to a revised term of 60 months, from December 20, 2010, to December 19, 2015; and

WHEREAS, the amount authorized for Agreement No. 47977 of $1,200,000 is to remain unchanged; and

WHEREAS, Agreement No. 47977 is necessary and proper to maintain necessary support level for various LADWP projects and continue knowledge transfer for existing personnel; and

WHEREAS, the term of Agreement No. 47977 exceeds the total contract time period set by ordinance, and in accordance with City Charter Section 373, City Council approval is required.

NOW, THEREFORE, BE IT RESOLVED that Amendment No.1 to Agreement No. 47977, approved as to form and legality by the City Attorney and on file with the Secretary of the Board, between LADWP and WorleyParsons, be and the same is hereby approved.

BE IT FURTHER RESOLVED that pursuant to City Charter Section 1022, the services to be performed are of a temporary and expert nature and can be performed more economically or feasibly by WorleyParsons as LADWP personnel do not have the appropriate expertise in the specified technical fields and the equipment to perform these type of services.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising under said Agreement.
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BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or Acting Secretary of the Board be and they are hereby authorized, empowered, and directed to execute said Amendment No.1 to Agreement No. 47977 for and on behalf of LADWP upon approval by the City Council.

ITEM NO. 11 – Authorizes execution of Pole Attachment License Agreement (DWP No. PD-2935) between Los Angeles Department of Water and Power and California Broadband Cooperative Inc. Submitted by Senior Assistant General Manager – Power System.

RESOLUTION NO. 014 121

WHEREAS, local publicly owned electric utilities are required by state law (Stats. 2011, Chapter 580) to make appropriate space and capacity on and in a utility pole for use by communication service providers; and

WHEREAS, California Broadband Cooperative Inc. (hereinafter "CBC") has requested to attach to utility poles owned by the Department of Water and Power of the City of Los Angeles (hereinafter "LADWP") pursuant to state law; and

WHEREAS, the proposed Pole License Agreement No. PD-2935 (hereinafter "Agreement") between LADWP and CBC, grants access and license rights to CBC in certain utility poles under the ownership or control of LADWP; and

WHEREAS, the term of this Agreement between LADWP and CBC is ten years which is consistent with Los Angeles Administrative Code section 23.142.

NOW, THEREFORE, BE IT RESOLVED that this Agreement between LADWP and CBC approved as to form and legality by the City Attorney and filed with the Secretary of the Board, is hereby approved subject to CBC meeting all insurance and performance security requirements set forth in Sections 3.6 and 13.0 of said agreement.

BE IT FURTHER RESOLVED that the President or the Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary or the Acting Secretary of the Board are hereby authorized, empowered; and directed to execute said contract for and on behalf of LADWP.

Seconded by Commissioner Fleming and carried by the following vote:

Ayes, Commissioners Barad, Fleming, Funderburk, Jr.; President Levine;

Noes, None.

ITEM NO. 12 – Authorizes the execution of the Master License and Service Agreement No. FO-738-10/2013 and Service Order Nos. 00004180 and 00004181 with CoreSite One Wilshire, L.L.C., CoreSite Coronado Stender, L.L.C., CoreSite Real Estate 1656 McCarthy, L.L.C., CoreSite 55 S. Market Street, L.L.C., CoreSite Real Estate 900 N. Alameda, L.L.C. for Lease of Colocation Space at One Wilshire, Los Angeles, California. Submitted by Assistant General Manager – Systems Support Division.
RESOLUTION NO. 014 122

WHEREAS, Master License and Service Agreement No. FO-738-10/2013 (MSA) between Los Angeles Department of Water and Power (LADWP) and CoreSite One Wilshire, L.L.C., CoreSite Real Estate 1656 McCarthy, L.L.C., CoreSite Coronado Stender, L.L.C., CoreSite 55 S. Market Street, L.L.C., CoreSite Real Estate 900 N. Alameda, L.L.C. (CoreSite), grants LADWP the right to utilize telecommunications colocation space at 624 South Grand Avenue (One Wilshire); and

WHEREAS, this new MSA is to replace the expired License Agreement for Use of Telecommunication Conduit and Conduit Interconnection Room executed with Carlyle One Wilshire II, L.P. and subsequently assigned to CRG West One Wilshire, LLC; and

WHEREAS, the term of this MSA is Five (5) years and will commence promptly upon the expiration date of the expired agreement on November 30, 2013, to ensure continued service; and

WHEREAS, the General Manager or his designated representative shall execute Service Orders as-needed to secure Interconnection Facility Services relating to locating certain communications and information technology equipment, cabling, and other related activities in the colocation space and will be incorporated as part of the MSA, as long as the annual fees associated with the Service Order(s) are equal to or less than the currently estimated amount and that the term does not exceed the term for the MSA; and

WHEREAS, Service Order (SO) Nos. 00025386 and 00025387 will maintain the established colocation space that houses and powers LADWP's optical fiber network components; and

WHEREAS, the Board finds that the colocation space is necessary for LADWP to provide communications transport service. This open access communications transport service brings a new source of revenue by marketing our existing telecommunication infrastructure to various industries.

NOW, THEREFORE, BE IT RESOLVED that the proposed MSA and SO Nos. 00025386 and 00025387, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between LADWP and CoreSite, be and the same are hereby approved and ratified.

BE IT FURTHER RESOLVED that the Board of Water and Power Commissioners finds that the services offered by CoreSite are unique to its location and facilities and therefore competitive bidding is not practicable or advantageous for purposes of MSA pursuant to Los Angeles Administrative Code Section 10.15(a)(2).

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund payment of the obligations arising under MSA and SO Nos. 00025386 and 00025387.

BE IT FURTHER RESOLVED that the President, or the Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, the Assistant Secretary, or the Acting Secretary of the Board be and they are hereby authorized and directed to execute said MSA and SO Nos. 00025386 and 00025387, for and on behalf of LADWP.

ITEM NO. 13 – Authorizes the execution of Short Form IRU-24 Lease Agreement No. FO-732-07/2013, Short Form IRU-25 Lease Agreement No. FO-736-09/2013, and Short Form IRU-26 Lease Agreement No. FO-737-09/2013 with Fox Entertainment Group, Inc. to provide the Indefeasible Right of Use of certain components of LADWP's fiber optic network. Submitted by Assistant General Manager – Systems Support Division.
RESOLUTION NO. 014 123

WHEREAS, Short Form IRU-24 Lease Agreement No. FO-732-07/2013 (IRU-24), Short Form IRU-25 Lease Agreement No. FO-736-09/2013 (IRU-25), and Short Form IRU-26 Lease Agreement No. FO-737-09/2013 (IRU-26) between the Los Angeles Department of Water and Power (LADWP) and Fox Entertainment Group, Inc. (FOX), grants FOX the Indefeasible Right of Use of certain components of LADWP's fiber optic network which generated revenues that were deposited into LADWP's Power Revenue Fund; and

WHEREAS, IRU-24 is a replacement to Agreement No. FO-545-08/2008 (IRU-13) and IRU-25 is a replacement to Agreement No. FO-546-08/2008 (IRU-14) both expiring on December 17, 2013. IRU-26 is a replacement to Agreement No. FO-560-12/2008 (IRU-15) expiring on March 3, 2014; and

WHEREAS, the term of IRU-24, IRU-25, and IRU-to ensure continual operations; and

WHEREAS, IRU-24 and IRU-25 will commence on December 18, 2013 and IRU-26 will commence on March 4, 2014; and

WHEREAS, the Board of Water and Power Commissioners finds that the optical fibers to be leased are not presently needed for LADWP purposes and the execution of these leases will not interfere with LADWP operations.

NOW, THEREFORE, BE IT RESOLVED that the proposed Short Form IRU-24 Lease Agreement No. FO-732-07/2013, Short Form IRU-25 Lease Agreement No. FO-736-09/2013, and Short Form IRU-26 Lease Agreement No. FO-737-09/2013, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between LADWP and FOX, be and the same are hereby approved.

BE IT FURTHER RESOLVED that the President or the Vice President of this Board, or General Manager, or such person as the General Manager shall designate in writing, and the Secretary, the Assist

Seconded by Commissioner Fleming and carried by the following vote:

Ayes, Commissioners Barad, Fleming, Funderburk, Jr., Noonan; President Levine;

Noes, None.

Commissioner Levine recused himself from acting on Item No. 8 and left the Board Room at 9:39 a.m.

ITEM NO. 8 – Bid No. 505 to Furnish, Deliver and Pick Up Heavy Trucks and Trailers, on a Fully-Maintained, As Needed, Bare Rental Basis. Award to: (A) Hertz Equipment Rental Corp. for a total amount not to exceed $4,294,750 for a period of three years (Groups A-D) and (B) Enterprise Rent-A-Car Company for a total amount not to exceed $532,590 for a period of three years (Group E) Submitted by Assistant General Manager – Systems Support Division.

RESOLUTION NO. 19629

WHEREAS, through a competitive bid process, the Los Angeles Department of Water and Power (LADWP) issued a solicitation to Furnish, Deliver, and Pick Up Heavy Trucks and Trailers, on a Fully-Maintained, As-Needed, Bare Rental Basis under Bid No. 505; and
WHEREAS, Hertz Equipment Rental Corp. (Hertz), is the lowest bidder for Item Groups A and B, the only bidder for Item Group C, and the lowest responsive bidder for Item Group D, under Bid No. 505; and

WHEREAS, Enterprise Rent-A-Car Company of Los Angeles, LLC (Enterprise), is the lowest bidder for Item Group E under Bid No. 505.

NOW, THEREFORE, BE IT RESOLVED that Hertz is awarded the contract for a total amount not to exceed $4,294,750.00, for a period of three years, under Contract No. 505A and Enterprise is awarded the contract for a total amount not to exceed $532,590.00, for a period of three years, under Contract No. 505B.

BE IT FURTHER RESOLVED that Contract Nos. 505A and 505B, approved as to form and legality by the City Attorney, and filed with the Secretary of the Board, are hereby approved.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is hereby authorized and directed to draw demands from the Water Revenue Fund, in accordance with the terms of this contract award pursuant to Bid No. 505 and this resolution.

BE IT FURTHER RESOLVED that the President or Vice President, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said contracts for and on behalf of the LADWP.

Approval moved by Commissioner Fleming.

Seconded by Commissioner Noonan and carried by the following vote:

Ayes, Commissioners Barad, Fleming, Noonan, Vice-President Funderburk, Jr.;

Noes, None.

Commissioner Levine re-entered into the Board Room at 9:45 a.m.

ITEM NO. 14 – Authorizes execution of Agreement No. 47969 (Amendment No. 4) with the Sodexo America, LLC. The amendment will extend the contract term by 15 months and increase the contract amount by $561,750. Council approval is required Submitted by Assistant General Manager – Systems Support Division.

RESOLUTION NO. 014 120

WHEREAS, WorleyParsons Group, Incorporated (WorleyParsons) was awarded Agreement No. 47977 on December 20, 2010, to provide reclaimed water utilization services for three years; and

WHEREAS, the Los Angeles Department of Water and Power's (LADWP) Power System recommends approval of Amendment No. 1 to Agreement No. 47977 with WorleyParsons to extend the contract period by 24 months to a revised term of 60 months, from December 20, 2010, to December 19, 2015; and

WHEREAS, the amount authorized for Agreement No. 47977 of $1,200,000 is to remain unchanged; and

WHEREAS, Agreement No. 4797iis necessary and proper to maintain necessary support level for various LADWP projects and continue knowledge transfer for existing personnel; and
WHEREAS, the term of Agreement No. 47977 exceeds the total contract time period set by ordinance, and in accordance with City Charter Section 373, City Council approval is required.

NOW, THEREFORE, BE IT RESOLVED that Amendment No.1 to Agreement No. 47977, approved as to form and legality by the City Attorney and on file with the Secretary of the Board, between LADWP and WorleyParsons, be and the same is hereby approved.

BE IT FURTHER RESOLVED that pursuant to City Charter Section 1022, the services to be performed are of a temporary and expert nature and can be performed more economically or feasibly by WorleyParsons as LADWP personnel do not have the appropriate expertise in the specified technical fields and the equipment to perform these type of services.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising under said Agreement.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or Acting Secretary of the Board be and they are hereby authorized, empowered, and directed to execute said Amendment No.1 to Agreement No. 47977 for and on behalf of LADWP upon approval by the City Council.

Approval moved by Commissioner Fleming.

Seconded by Commissioner Funderburk, Jr. and carried by the following vote:

Ayes, Commissioners Barad, Fleming, Funderburk, Jr.; President Levine;

Noes, Noonan.

Commissioner Barad left the Board Room at 10:31 am and re-entered the Board Room at 10:40 am.

Commissioner Noonan left the Board Room at 10:53 am and re-entered the Board Room at 10:59 am.

The following three items were presented for Informational Presentation Only.

ITEM NO. 15 – Bid No. 531 for Services for Installing, Removing, and Splicing Underground Distribution System Cables. Award to Henkels & McCoy, Inc. for a total amount not to exceed $47,877,758 for a term of one year with two optional one-year periods. Submitted by Senior Assistant General Manager – Power System.

Given as a Informational Presentation Only.

ITEM NO. 16 – Bid No. 532 for Services for Installing, Removing, and Maintaining Overhead Distribution Facilities South of Mulholland Drive. Award to Henkels & McCoy, Inc. for a total amount not to exceed $82,806,815 for a term of one year with two optional one-year periods. Submitted by Senior Assistant General Manager – Power System.

Given as a Informational Presentation Only.
ITEM NO. 17 – Bid No. 540 for Services for Installing, Removing, and Maintaining Overhead Distribution Facilities North of Mullholland Drive. Award to Henkels & McCoy, Inc. for a total amount not to exceed $81,627,212 for a term of one year with two optional one-year periods. Submitted by Senior Assistant General Manager – Power System.

Given as a Informational Presentation Only.

Commissioner Funderburk, Jr. left the Board Room at 11:20 am and re-entered at 11:37 am.
THE BOARD shall recess to closed session for a conference with legal counsel regarding:

A. Existing litigation in the following matters:

1. In re Great Basin Unified Air Pollution Control District Owens Lake Dust Control Revised Final 2011 Supplemental Control Requirements Determination, State of California Air Resources Board, pursuant to Section 54956.9 (d)(1) of the California Government Code.

2. The People of the State of California and Great Basin Unified Air Pollution Control District v. City of Los Angeles, Department of Water and Power, et al., Kern County Superior Court Case No. SI CV PT 1254188, pursuant to Section 54956.9 (d)(1) of the California Government Code.


4. San Diego County Water Authority v. Metropolitan Water District of Southern California, San Francisco Superior Court Case Nos. CFP 10510830 and CFP 12-512466, pursuant to Section 54956.9 (d)(1) of the California Government Code. Rate Case., pursuant to Section 54956.9 (d)(1) of the California Government Code.

B. Anticipated litigation in the following matters:

1. Discussion regarding significant exposure to litigation (4 cases), pursuant to Section 54956.9 (d)(2) of the California Government Code.

2. Discussion regarding initiation of litigation (1 case), pursuant to Section 54956.9 (d)(4) of the California Government Code.

C. Consultation with General Manager Ronald O. Nichols of the Los Angeles Department of Water and Power (including security operations) regarding security issues pertaining to the essential public services (water and electric service), pursuant to Section 54957 (a) of the California Government Code.

MEETING RECESSED at 11:43 a.m.

MEETING RECONVENSED at 11:45 a.m.
Los Angeles, California, December 17, 2013

MINUTES OF CLOSED SESSION OF THE BOARD OF
WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES
HELD IN ROOM 1555
DECEMBER 17, 2013
11:45 A.M.

Meeting called to order by President Mel Levine and roll called:

Present – Commissioners: 
President Levine
William W. Funderburk, Jr.
Banks Barad
Michael F. Fleming
Christina E. Noonan

Absent – None

A quorum present.

IN ATTENDANCE were the following:

Ronald O. Nichols, General Manager
Martin L. Adams, Director of Water Operations, Water System
Aram Benyamin, Senior Assistant General Manager – Power System
Joseph Brayeich, Assistant General Counsel, Water and Power
Richard M. Brown, General Counsel, Water and Power
Michelle Lyman, Deputy City Attorney
James B. McDaniel, Senior Assistant General Manager – Water System
Nelson Mejia, Waterworks Engineer, Water System
Julie Riley, Deputy City Attorney, City Attorney’s Office
William VanWagoner, Managing Water Utility Engineer, Water System

Also, in attendance:

Guy Lipa, Mayor’s Office

A CLOSED SESSION was held for a conference with legal counsel regarding:

ITEM NO. 18 – Bid No. 7375 for the Construction of the Owens Lake Dust Mitigation Project – Phase 7a in order to comply with the requirements of the Stipulated Order for Abatement No. 110317-01 and Modified Stipulated Order for Abatement No. 130819-01 issued by the Great Basin Unified Air Pollution Control District. Award to Barnard Construction Co., Inc. for a total amount not to exceed $229,361,824 for a term of two years. Submitted by Senior Assistant General Manager – Water System.

Discussion held – no action taken.

MEETING RECESSED at 12:02 p.m.

MEETING RECONVENED TO OPEN SESSION at 12:11 p.m.
ITEM NO. 19 – Authorizes payment for an amount not to exceed $16,513,019 for Special City Services provided by the City of Los Angeles to the Los Angeles Department of Water and Power for Fiscal Year 2013-2014. Submitted by Chief Financial Officer

RESOLUTION NO. 014 125

WHEREAS, the Los Angeles Department of Water and Power (LADWP) has annually provided funds to the City of Los Angeles (City) for the costs of provisioning direct and indirect services from the City of Los Angeles which include, but are not limited to, services from the City Attorney, Treasurer, City Controller, and Personnel Department; and

WHEREAS, LADWP and the City Administrative Office (CAO) have developed a methodology to allocate and reimburse costs from the City; and

WHEREAS, LADWP has received an estimated amount due for fiscal year 2013-14 of $16,513,019 from the CAO on behalf of the City which is comprised of $3,786,663 Central Services and $12,726,356 for Direct Services; and

WHEREAS, LADWP has received instructions from the CAO on amounts to be deposited in the City's General Fund and the City's Reserve Fund.

NOW, THEREFORE, BE IT RESOLVED that the Chief Accounting Employee of the LADWP is authorized and directed to transfer a total of $16,513,019 to the City's General Fund for the services described above for fiscal year 2013/14. The actual amount paid will be subject to audit and verification by the General Manager and Chief Financial Officer. The above amounts are to come from the Power Revenue Fund. The Power Revenue Fund will bill the Water Revenue Fund for its share of such costs.

Approval moved by Commissioner Fleming.

Seconded by Commissioner Barad and carried by the following vote:

Ayes, Commissioners Barad, Fleming, Funderburk, Jr., Noonan, President Levine;

Noes, None.

ITEM NO. 20 – Authorizes execution of Appliance Exchange and Recycling Program Participation Agreement with the Southern California Public Power Authority to support the Los Angeles Department of Water and Power Appliance Exchange and Recycling Programs. Submitted by Director of Environment and Efficiency.

RESOLUTION NO. 014 126

WHEREAS, the Southern California Public Power Authority (SCPPA), pursuant to the needs of its member utilities, including the Los Angeles Department of Water and Power (LADWP), initiated a competitive bid process seeking professional refrigerator services which would include the acquisition and delivery of new energy efficient refrigerators, and the collection of older energy inefficient units to be recycled in an environmentally friendly manner; and

WHEREAS, SCPPA selected the Appliance Recycling Centers of America (ARCA) to provide these services and entered into a contract with ARCA on behalf of its member agencies; and

WHEREAS, LADWP desires to continue offering qualifying customers new energy efficient refrigerators and other appliances in exchange for their old, inefficient, units, which would be removed and recycled in an environmentally friendly manner; and
WHEREAS, SCPPA has prepared a draft Refrigerator Exchange and Appliance Recycling Services Participation Agreement between LADWP and SCPPA that, once executed, would authorize LADWP to receive these services using SCPPA's agreement with ARCA; and

NOW, THEREFORE, BE IT RESOLVED that the General Manager or an Assistant General Manager designated in writing by the General Manager has the delegated authority to authorize the final Agreement, provided that the final Agreement is substantially similar to the draft Appliance Delivery and Recycling Program Participation Agreement, dated December 1, 2013, and the final Agreement does not exceed 36 months and at a cost not to exceed $25,000,000; and

BE IT FURTHER RESOLVED that LADWP intends to use the Refrigerator Exchange and Appliance Recycling Services Participation Agreement between LADWP and SCPPA to obtain contract program services for a period not to exceed 36 months, at a cost not to exceed $25,000,000.

BE IT FURTHER RESOLVED that SCPPA is prepared to offer these services to the SCPPA member agencies as a group at rates that would make it more cost-effective than if each member agency, including LADWP, attempted to contract for these services independently, and as such competitive bidding would be undesirable pursuant to Los Angeles City Charter Section 371 (e)(10).

BE IT FURTHER RESOLVED that the Chief Accounting Employee, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund in payment of obligations arising under this Agreement.

BE IT FURTHER RESOLVED that the President or the Vice President, or General Manager, or such person as the General Manager shall designate in writing as his designee, and the Secretary, Assistant Secretary, or Acting Secretary of this Board are hereby authorized and directed to execute this MOU for and on behalf of the LADWP.

Commissioner Barad abstained from voting on Item No. 20.

Approval moved by Commissioner Fleming.

Seconded by Commissioner Levine and carried by the following vote:

Ayes, Commissioners Fleming, Funderburk, Jr., President Levine;

Noes, Noonan.

ITEM NO. 21 – Authorization for the General Manager to Take Necessary Step to Further the Development of a Joint Powers Authority with the One or More Southern California Water Agencies to Finance Certain Water Projects. Submitted by Chief Financial Officer.

RESOLUTION NO. 014 127

WHEREAS, Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Act), commencing with Section 6500, provides that two or more public agencies by agreement may jointly exercise any power common to the contracting parties; and

WHEREAS, the City of Los Angeles (City) supported the California Assembly Bill 850 (Nazarian) (AB 850) that amended the Act to permit water utilities to utilize rate reduction bonds (securitization) issued through a Joint Powers Authority (JPA); and

WHEREAS, AB 850 was signed into law by the Governor of the State of California on October 8, 2013; and
WHEREAS, AB 850 permits securitized financing of utility water projects for conservation or reclamation purposes or in response to a mandate; and

WHEREAS, the Department of Water and Power of the City of Los Angeles (LADWP) seeks to maximize local groundwater supplies including opportunities to sustain and augment the long-term reliability of the City's groundwater supply in the San Fernando Basin; enhance storm water capture, expand the use of recycled water, and promote enhanced water conservation; and

WHEREAS, the LADWP faces mandates related to water quality that will involve substantial costs to cover reservoirs, remove reservoirs from service, re-route water transmission as a result, change how water is treated, among other mandates; and

WHEREAS, the LADWP's capital project financing needs could be funded at lower cost to ratepayers through a JPA, including through the use of securitization; and

WHEREAS, the LADWP has determined that financing through a JPA could save LADWP customers approximately 3 percent in avoided rate increases over the course of the next five years and provide for increased transparency of charges for costs related to specific project work; and

WHEREAS, the LADWP has raised the potential establishment of a JPA with Southern California Water Agencies including the Metropolitan Water District of Southern California (MWD), Los Angeles County Flood Control District, and Pasadena Water and Power; and

NOW, THEREFORE, BE IT RESOLVED—that the Board of Water and Power Commissioners (Board) authorizes and directs the General Manager, or his designee, on behalf of the LADWP, to take such steps as are necessary to further the development of the JPA, and to return to this Board the recommended proposals which can then be transmitted to the City Council with the request from this Board to establish the proposed JPA in accordance with the applicable City Charter and California Government Code Sections.

Approval moved by Commissioner Fleming.

Seconded by Commissioner Barad and carried by the following vote:

Ayes, Commissioners Barad, Fleming, Funderburk, Jr.; Noonan, President Levine;

Noes, None.

ITEM NO. 22 – Status Update, Discussion of and Possible Action on Matters Pertaining to the Joint Safety Institute and the Joint Training Institute.

(A Verbal Motion was moved by Commissioner Levine, seconded by Barad, that concerning Item No. 22, a Status Update, Discussion of Possible Action on Matters Pertaining to the Joint Safety Institute and Joint Training Institute, that:

1. If counsel responds that there is nothing to preclude DWP Management members of the Trust from withholding approval of checks until the Union Trustee members cooperate with the Controller, that the Management Trustees withhold approval of checks until the Union Trustee members cooperate with the Controller on the Audit.

2. If there is any legal reason that precludes the DWP Management members from withholding approval, that the Management members keep a record of each check that is approved, the purposes of the expenditure, and report that back to the Board on a monthly basis.
3. That the Board direct the Management Trustees to do all that they can to ensure that all records are retained with regard to any expenditures that have occurred at any time so they can be made available to the Controller's auditors.

Approval moved by Commissioner Levine.

Seconded by Commissioner Barad and carried by the following vote:

Ayes, Commissioners Barad, Fleming, Funderburk, Jr.; Noonan, President Levine;

Noes, None.

ITEM NO. 18 – Bid No. 7375 for the Construction of the Owens Lake Dust Mitigation Project – Phase 7a in order to comply with the requirements of the Stipulated Order for Abatement No. 110317-01 and Modified Stipulated Order for Abatement No. 130819-01 issued by the Great Basin Unified Air Pollution Control District. Award to Barnard Construction Co., Inc. for a total amount not to exceed $229,361,824 for a term of two years. Submitted by Senior Assistant General Manager – Water System

ADOPTED AS AMENDED AT 12/17/13 SPEC. BOARD MTG. SEE ATTACHED VERBAL MOTION

RESOLUTION NO. 19630

WHEREAS, through a competitive bid process, the Los Angeles Department of Water and Power (LADWP) issued a solicitation to procure construction: of the Owens Lake Dust Mitigation Project -Phase 7a under Bid No.1375; and,

WHEREAS, Barnard Construction Co., Inc., is the lowest bidder. under Bid No.7375.

NOW, THEREFORE, BE IT RESOLVED that Barnard Construction Co., Inc. is, awarded the contract for a total amount not to exceed $229,361,824.00 including a 10 percent contingency of $20,850,000.00 for a period of two years, Contract No.7375.

BE IT FURTHER RESOLVED that pursuant to City Charter Section 1022 the Board finds that it is more feasible to have the work performed by an independent contractor.

BE IT FURTHER RESOLVED that Contract No. 7375, approved as to form and legality by the City Attorney, and filed with the Secretary of the Board, is hereby approved.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Water Revenue Fund, in accordance with the terms of this contract awarded pursuant to Bid No. 73.75 and this resolution.

BE IT FURTHER RESOLVED that the President or Vice President, or the General Manager, or such. person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said contract for and on behalf of LADWP with the condition that LADWP is able to resolve all permit and or streambed alteration agreement conditions so they are not unreasonable, unduly onerous, or not comparable to conditions contained in similar permits for other entities.

(A Verbal Motion was moved by Commissioner Levine, seconded by Commissioner Funderburk, I MOVE that Item No. 18 on the December 17, 2013, BE AMENDED, as follows:
"That the General Manager is authorized to execute the contract with the condition that the LADWP is able to resolve all permit and or streambed alteration agreement conditions so they are not unreasonable, unduly onerous, or not comparable to conditions contained in similar permits for all other entities.")

Approval moved by Commissioner Levine.

Seconded by Commissioner Barad and carried by the following vote:

Ayes, Commissioners Barad, Fleming, Funderburk, Jr.; Noonan, President Levine;

Noes, None.

ITEM NO. 23 – Update on the Progress of the Los Angeles Department of Water and Power Energy Efficiency Programs. Presentation was given by David Jacot.

Los Angeles, California, December 17, 2013

MINUTES OF CLOSED SESSION OF THE BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES HELD IN ROOM 1555 DECEMBER 17, 2013 11:45 A.M.

Meeting called to order by President Mel Levine and roll called:

Present – Commissioners: President Levine
William W. Funderburk, Jr.
Jill Banks Barad
Michael F. Fleming
Christina E. Noonan

Absent – None

A quorum present.

IN ATTENDANCE were the following:

Ronald O. Nichols,
Martin L. Adams,
Aram Benyamin,
Joseph Brajevich,
Richard M. Brown,
Michelle Lyman,
James B. McDaniel,
Nelson Mejia,
Julie Riley,
William VanWagoner,

Also, in attendance:

Guy Lipa, Mayor’s Office
A CLOSED SESSION was held for a conference with legal counsel regarding:

ITEM NO. 18 – Bid No. 7375 for the Construction of the Owens Lake Dust Mitigation Project – Phase 7a in order to comply with the requirements of the Stipulated Order for Abatement No. 110317-01 and Modified Stipulated Order for Abatement No. 130819-01 issued by the Great Basin Unified Air Pollution Control District. Award to Barnard Construction Co., Inc. for a total amount not to exceed $229,361,824 for a term of two years. Submitted by Senior Assistant General Manager – Water System

Discussion held – no action taken.

MEETING RECESSED at 1:18 p.m.

MEETING RECONVENED TO OPEN SESSION at 1:32 p.m.
Los Angeles, California, December 17, 2013

MINUTES OF CLOSED SESSION OF THE BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES
HELD IN ROOM 1555
DECEMBER 17, 2013
1:32 P.M.

Meeting called to order by President Mel Levine and roll called:

Present – Commissioners: President Levine
William W. Funderburk, Jr.
Jill Banks Barad
Michael F. Fleming
Christina E. Noonan

Absent – None

A quorum present.

IN ATTENDANCE were the following:

Ronald O. Nichols, General Manager
Aram Benyamin, Senior Assistant General Manager – Power System
Joseph Brajevich, Assistant General Counsel, Water and Power
Syndi Driscoll, Deputy City Attorney II
Randy S. Howard, Director of Power System Planning & Development
Priscila C. Kasha, Deputy City Attorney IV
James B. McDaniel, Senior Assistant General Manager – Water System

A CLOSED SESSION was held for a conference with legal counsel regarding:

Existing litigation in the following matter:

ITEM NO. 2B(2) (1 case) Discussion regarding initiation of litigation (1 case), pursuant to Section 54956.9 (d)(4) of the California Government Code.

Discussion held – no action taken.

Existing litigation in the following matter:

ITEM NO. 28A(4) – Romero v. City of Los Angeles, Los Angeles Superior Court Case Number BC449834, pursuant to Section 54956.9 (d)(1) of the California Government Code.

Discussion held – action taken but not a final action that is reportable.

Anticipated litigation in the following matter:

ITEM NO. 28B1 (1st case) – Discussion regarding significant exposure to litigation (3 cases), pursuant to Section 54956.9 (d)(2) of the California Government Code. Conference with Labor Negotiators:
Discussion held – no action taken.
Existing litigation in the following matter:

**ITEM NO. 24A(1)** – In re Great Basin Unified Air Pollution Control District Owens Lake Dust Control Revised Final 2011 Supplemental Control Requirements Determination, State of California Air Resources Board, pursuant to Section 54956.9 (d)(1) of the California Government Code.

This item was deferred.

Existing litigation in the following matter:

**ITEM NO. 24A(2)** – The People of the State of California and Great Basin Unified Air Pollution Control District v. City of Los Angeles, Department of Water and Power, et al., Kern County Superior Court Case No. SI CV PT 1254188, pursuant to Section 54956.9 (d)(1) of the California Government Code.

This item was deferred.

Existing litigation in the following matter:


This item was deferred.

Anticipated litigation in the following matter:

**ITEM NO. 28B(1) (2nd case)** – Discussion regarding significant exposure to litigation (3 cases), pursuant to Section 54956.9 (d)(2) of the California Government Code. Conference with Labor Negotiators:

Withdrawn.

Anticipated litigation in the following matter:

**ITEM NO. 28B(1) (3rd case)** – Discussion regarding significant exposure to litigation (3 cases), pursuant to Section 54956.9 (d)(2) of the California Government Code. Conference with Labor Negotiators:

Withdrawn.

Anticipated litigation in the following matter:

**ITEM NO. 28B** – Discussion regarding initiation of litigation (1 case), pursuant to Section 54956.9 (d)(4) of the California Government Code.

Withdrawn.
ITEM NO. 28C – Conference with Labor Negotiators:

Pursuant to California Government Code Section 54957.6, the Board will meet in closed session with the Department’s labor negotiators (the Department’s General Manager) concerning labor negotiations with the following employee bargaining representatives:

International Brotherhood of Electrical Workers, Local 18

Withdrawn.

No announcement needed after Closed Session.

COMMISSIONER BARAD moved the meeting be adjourned.

Seconded by Commissioner Funderburk, Jr. and carried by the following vote:

Ayes, Commissioners Barad, Fleming, Funderburk, Jr., President Levine;

Noes, None.

MEETING ADJOURNED at 3:18 p.m.

SIGNED:

SECRETARY

ATTEST:

PRESIDENT