NOTED AND FILED AT THE 
ocaO 10, 2013 BOARD MEETING

Los Angeles, California, August 27, 2013

MINUTES OF SPECIAL MEETING OF THE BOARD OF
WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES
HELD IN ROOM 1555-H
AUGUST 27, 2013
1:48 P.M.

Meeting called to order by President Thomas Sayles and roll called:

Present – Commissioners: President Sayles
Richard Moss
Christina E. Noonan
Jonathan Parfrey

Absent – Eric Holoman

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, Power System
Joseph Brajevich, Assistant General Counsel, Water and Power, City Attorney’s Office
Kelli Bernard, Director of Economic Development, General Manager’s Office
Richard M. Brown, General Counsel, Water and Power, City Attorney’s Office
Timothy Chung, Deputy City Attorney, City Attorney’s Office
Syndi Driscoll, Deputy City Attorney II, City Attorney’s Office
Eileen Lau, Utility Administrator, Power System
Philip Leiber, Chief Financial Officer, Financial Services Organization
Michelle Lyman, Deputy City Attorney, City Attorney’s Office
James B. McDaniel, Senior Assistant General Manager – Water System, Water System
Andy A. Niknafs, Waterworks Engineer, Water System
Shannon C. Pascual, Director of Human Resources, General Manager’s Office
David R. Pettijohn, Director of Water Resources, Water System
Mark J. Sedlacek, Director of Environment and Efficiency Division, General Manager’s Office
Stephen M. Townsend, Assistant Director Information System, Systems Support Division
Gary E. Wong, Assistant General Manager - Systems Support Division

Also, in attendance:

Mike Feuer, Los Angeles City Attorney, City Attorney’s Office
Tom LaBonge, District 4 Councilmember, Los Angeles City Council
Linda Arcularius, Great Basin Board (Via Phone)
Matt Kingsley, Great Basin Board (Via Phone)
Larry Johnston, Bishop (Via Telecast)

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, Linda Arcularius and Matt Kingsley, Great Basin via phone and Larry Johnston, Great Basin, via Bishop telecast.

ITEM NO. 3 – Comments and/or requests from Commissioners were made during the Board meeting relating to Department operations.

Commissioner Noonan – For future insurance items that are presented to the Board, please make sure to include a marketing summary including available pricing data in the Board Package (Request from Item 29 - Linden Ranch and Pine Tree Wind Farms All Risk Property Insurance).

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.

One Speaker from Los Angeles, and One Speaker from Bishop.

ITEM NO. 5 – Potential Comments or Reports from Ratepayer Advocate.

ITEM NO. 6 – Approval of the minutes of the May 3, 2013, special meeting of the Board of Water and Power Commissioners.

Approval moved by Commissioner Moss.

Seconded by Commissioner Noonan and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.

Written recommendation, approved by the General Manager, transmitting the following resolutions, approved as to form and legality by the City Attorney:

Commissioner Moss moved adoption of the following ten resolutions, approved as to form and legality by the City Attorney:

ITEM NO. 7 – Spec No. 461 to procure detector check valves. Award to Ferguson Enterprises, Inc. for a total amount not to exceed $2,403,230 for a period of one year with two optional one-year periods. Submitted by Senior Assistant General Manager – Water System.

RESOLUTION NO. 19586

WHEREAS, through a competitive bid process the Los Angeles Department of Water and Power (LADWP) issued a solicitation to procure detector, check valves under Bid No. 461; and

WHEREAS, Ferguson Enterprises, Inc., is the lowest responsive bidder due to cash terms discount under Bid No. 461.
NOW, THEREFORE, BE IT RESOLVED that Ferguson Enterprises, Inc. is awarded the contract for a total amount not to exceed $2,403,230.00, for a period of one year with two optional one-year periods, under Contract No. 461.

BE IT FURTHER RESOLVED that Contract No. 461, 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 to pursuant to Bid No. 461 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. 8 – Spec. No. 512 to furnish and deliver liquid chlorine to disinfect the water supply in accordance with water treatment regulations. Award to JCI Jones Chemicals, Inc. for a total amount not to exceed $3,396,068 for a period of nine months with one optional period. Submitted by Senior Assistant General Manager – Water System.

RESOLUTION NO. 19587

WHEREAS, through a competitive bid process the Los Angeles Department of Water and Power (LADWP) issued a solicitation to procure liquid chlorine under Bid No. 512; and

WHEREAS, JCI Jones Chemicals, Inc. (JCI), is the only bidder under Bid No. 512.

NOW, THEREFORE, BE IT RESOLVED that JCI is awarded the contract for a total amount not to exceed $3,396,068.00, for a period of nine months with one optional period, under Contract No. 512.

BE IT FURTHER RESOLVED that Contract No. 512, 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. 512 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. 9 – Bid No. 7440R1 to procure maintenance holes, steel cover assemblies, and transportation. Award to Jensen Precast for a total amount not to exceed $4,507,420 for a one-time purchase. Submitted by Senior Assistant General Manager – Power System.

RESOLUTION NO. 19588

WHEREAS, through a single-source process, the Los Angeles Department of Water and Power (LADWP) issued a solicitation to Jensen to procure maintenance holes, steel cover assemblies, and transportation under Bid No. 7440R1.
NOW, THEREFORE, BE IT RESOLVED that Jensen Precast is awarded the contract for a total amount not to exceed $4,507,420.00, for a one-time purchase, under Contract No. 7440R1.

BE IT FURTHER RESOLVED that pursuant to City Charter Section 371 (e)(10), competitive bidding would be undesirable, impractical or impossible.

BE IT FURTHER RESOLVED that Contract No. 7440R1, 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. 7440R1 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 Agreement No. 47193-4 with Intellibind Technologies, LLC to conduct annual on-site assessments to determine LADWP’s compliance adequacy with Federal Energy Regulatory Commission-Approved North American Electric Reliability Corporation Reliability Standards for a total amount not to exceed $485,000 for a term of three years. Submitted by Senior Assistant General Manager – Power System.

RESOLUTION NO. 014 033

WHEREAS, through a competitive Request for Proposal (RFP) process, the Los Angeles Department of Water and Power (LADWP) issued a solicitation to procure professional services for annual assessments to determine LADWP's compliance adequacy with Federal Energy Regulatory Commission (FERC) approved North American Electric Reliability Corporation (NERC) Reliability Standards under RFP No. 90082; and

WHEREAS, Intellibind Technologies, LLC (Intellibind) is the most qualified bidder under RFP No. 90082; and

WHEREAS, Intellibind has reviewed the services to be performed and represents they have the qualities, expertise, skills, and abilities to perform such work; and

WHEREAS, the proposed contract between LADWP and Intellibind contains a not-to-exceed amount of $485,000, for a term of three (3) years.

NOW, THEREFORE, BE IT RESOLVED that Agreement No. 47193-4, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between LADWP and Intellibind, is hereby approved.

BE IT FURTHER RESOLVED that pursuant to City Charter Section 1022, the work under Agreement No. 47193-4 can be performed more feasibly by Intellibind as a third-party is needed to independently assess LADWP’s compliance programs.

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 Agreement for and on behalf of the LADWP.
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 payment of the obligations arising under the Agreement.

ITEM NO. 15 – Approves a Water Supply Assessment for the Los Angeles International Airport Northside Plan Update Project. Submitted by Senior Assistant General Manager – Water System.

RESOLUTION NO. 014 034

WHEREAS, Board of Water and Power Commissioners (Board) approved the Water Supply Assessment for the Los Angeles World Airports Master Plan Alternative "D" (Original Project) at its July 1, 2003 meeting (Resolution No. 004 002); and

WHEREAS, Original Project consisted of Airport Land Uses (Airport Uses), Non-Airport Land Uses LAX Northside (LAX Northside), and Non-Project Uses within Master Plan Boundaries (Non-Project Uses); and

WHEREAS, LAX Northside proposed to develop 3,630,000 square-feet (sq ft) including office, retail, airport related uses, Research and Development business park, and restaurant, as well as a 1,400 room hotel and landscaping; and

WHEREAS, on June 17, 2013, LAWA (Applicant) requested the Los Angeles Department of Water and Power (LADWP) to conduct a Water Supply Assessment (WSA) for the LAX Northside Plan Update Project (Proposed Project) pursuant to California Water Code Sections 10910-10915; and

WHEREAS, Proposed Project will revise a portion of the Original Project’s LAX Northside scope by proposing to develop up to 2,320,000 sq ft in an approximately 340-acre site of mostly undeveloped land within the LAX Plan for commercial, civic, and airport support land uses; and

WHEREAS, the development area of the Proposed Project was reduced by 36 percent from the Original Project’s LAX Northside development square footage area; and,

WHEREAS, as a result of the significant change in scope for the LAX Northside area, LADWP has prepared a WSA for the Proposed Project in compliance with California Water Code Sections 10910-10915; and

WHEREAS, prior approval for other remaining scope and associated water demand in the WSA for the Original Project not revised under this request, remains unchanged; and

WHEREAS, LADWP estimates the annual net increase in total water demand from the Proposed Project site, based on review of information submitted by LAWA, is 532 acre-feet per year; and

WHEREAS, Applicant has agreed to implement additional conservation measures, as described in the WSA, that are in addition to those required by law; and

WHEREAS, Proposed Project is located in the service area of LADWP’s water supply system, and LADWP would serve the area of the Proposed Project development; and

WHEREAS, LADWP anticipates that its projected water supplies available during normal, single-dry, and multiple-dry water years as included in the 25-year projection contained in its 2010 Urban Water Management Plan can, accommodate the projected water demand associated with the Proposed Project, in addition to the existing and planned future demands on LADWP; and
WHEREAS, Board adopted Shortage Year Rates for water service effective June 1, 2009. The Board finds that the price signals contained in the Shortage Year Rates have resulted in reduced City-wide demands sufficient to meet demand projections.

NOW, THEREFORE, BE IT RESOLVED, that the Board finds that LADWP can provide sufficient domestic water supplies to the Proposed Project area and approves the WSA prepared for the Proposed Project, now on file with the Secretary of the Board, and directs that the WSA and a certified copy of this Resolution be transmitted to LAWA.

ITEM NO. 16 – Approves a Water Supply Assessment for the Olympic and Broadway Project that will redevelop an approximately 4.06-acre site of commercial land use within the Central City Community Plan for residential and commercial land uses. Submitted by Senior Assistant General Manager – Water System.

RESOLUTION NO. 014 035

WHEREAS, on June 26, 2013, the Los Angeles Department of City Planning (Planning Department), requested the Los Angeles Department of Water and Power (LADWP) conduct a Water Supply Assessment (WSA) for the Olympic and Broadway Project (Proposed Project) pursuant to California Water Code Sections 10910-10915; and

WHEREAS, the Proposed Project will redevelop an approximately 4.06-acre site of commercial land use within the Central City Community Plan for residential and commercial land uses; and

WHEREAS, LADWP has prepared a WSA for the Proposed Project in compliance with California Water Code Sections 10910-10915; and

WHEREAS, LADWP estimates the annual net increase in total water demand from the Proposed Project site, based on review of information submitted by the Planning Department and Palmer/L&R Broadway Properties Limited Partnership (Applicant), is 98 acre-feet per year; and

WHEREAS, the Applicant has agreed to implement additional conservation measures, as described in the WSA that are in addition to those required by law; and

WHEREAS, the Proposed Project is located in the service area of LADWP's water supply system, and LADWP would serve the area of the Proposed Project development; and

WHEREAS, LADWP anticipates that its projected water supplies available during normal, single-dry, and multiple-dry water years as included in the 25-year projection contained in its 2010 Urban Water Management Plan can accommodate the projected water demand associated with the Proposed Project, in addition to the existing and planned future demands on LADWP; and

WHEREAS, the Board of Water and Power Commissioners (Board) adopted Shortage Year Rates for water service effective June 1, 2009. The Board finds that the price signals contained in the Shortage Year Rates have resulted in reduced City-wide demands sufficient to meet demand projections.

NOW, THEREFORE, BE IT RESOLVED, that the Board finds that LADWP can provide sufficient domestic water supplies to the Proposed Project area and approves the WSA prepared for the Proposed Project, now on file with the Secretary of the Board, and directs that the WSA and a certified copy of this Resolution be transmitted to the Planning Department.
ITEM NO. 18 – Approves Membership in the Water Research Foundation for Calendar Years 2013, 2014, and 2015, for a total amount not to exceed $280,000 per year. Council approval is required. Submitted by Senior Assistant General Manager – Water System.

RESOLUTION NO. 014 036

WHEREAS, the Los Angeles Department of Water and Power (LADWP) has been a member of the nonprofit Water Research Foundation (WaterRF) since 1986 when it joined this organization as a charter member; and

WHEREAS, the WaterRF fulfills a vital need for the nation's water utilities and water agencies by conducting research in areas of particular interest to water systems, providing a forum for the mutual exchange of ideas, and supplying information on problems that confront the water industry and the public; and

WHEREAS, since joining the WaterRF, LADWP has benefited from participation in 116 research projects and committees with a total project value of about $43 million.

NOW, THEREFORE; BE IT RESOLVED that LADWP continue its membership in the WaterRF for the calendar years 2013, 2014 and 2015, covered by this Resolution; and

BE IT FURTHER RESOLVED that LADWP also provide funding for LADWP's urgent facilitated scientific research services on an as-needed basis conducted by the WaterRF for the benefit of LADWP for the calendar years 2013, 2014 and 2015, covered by this Resolution; and

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw a demand on the Water Revenue Fund for the WaterRF membership subscription for the amount not to exceed $280,000 per year for the calendar years 2013, 2014 and 2015; and

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is also authorized and directed to draw a demand on the Water Revenue Fund for LADWP's urgent facilitated scientific research services on an as-needed basis for the WaterRF in the amount not to exceed $250,000 per year for the calendar years 2013; 2014 and 2015; and

BE IT FURTHER RESOLVED that the WaterRF annual membership and LADWP's urgent facilitated scientific research services on an as-needed basis shall be continued only upon the approval by the Los Angeles City Council, pursuant to the provisions of the City Charter Section 373, Division 10, Chapter 1, Article 1, Section 10.5 of the Los Angeles City Administrative Code.

ITEM NO. 19 – Authorizes execution of a Quitclaim Deed for Twelve Los Angeles Department of Water and Power Distribution Easements, which properties are located within various areas of the City of Los Angeles and are no longer required for use by LADWP. (J-15496-175) Council approval by ordinance is required. Submitted by Assistant General Manager – Systems Support Division, Senior Assistant General Manager – Power System, and Senior Assistant General Manager – Water System.

RESOLUTION NO. 014 037

J-15496-175
(Quitclaim of Water and Power Distribution Easements)

BE IT RESOLVED:
Section 1. Those permanent easements across certain real property herein described, owned by the City of Los Angeles and under the control of its Department of Water and Power, are no longer required for the use of the City and the Department, and should be abandoned and quitclaimed as herein authorized.

Section 2. The abandonment and quitclaiming of said easements is authorized and directed. The President or the Vice President of the Board, or the General Manager of the Department, (or such person as the General Manager shall designate in writing), and the Secretary, Assistant Secretary or the Acting Secretary of the Board, be and they are hereby authorized and directed, after due authorization from the City Council, to execute, acknowledge and deliver an instrument in writing, approved as to form and legality by the City Attorney, quitclaiming unto the owner of record said easements, hereinafter described, and all rights, title, and interest therein.

Section 3. The Council of the City of Los Angeles is requested to authorize execution, acknowledgment, and delivery of said instrument in writing, quitclaiming said easements, as aforesaid.

Section 4. Said easements herein authorized to be quitclaimed and abandoned are upon and across real property described in Items 1 to 12, inclusive, as:

**ITEM 1**
(P-78330, Map 166-165)

The southerly 14 feet of the northerly 20 feet of Lots 53 and 54 of Tract No. 11525, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 250, Pages 18 and 19 of Map Records, in the office of the County Recorder of said County.

**ITEM 2**
(P-78576, Map 158-189)

That portion of Lot 6 of Tract No. 25663, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 700, Pages 22 through 24 of Map Records, in the office of the County Recorder of said County, lying within a strip of land, 5 feet in width, the sidelines of said strip of land being 2.5 feet on each side of the following described centerline:

Beginning at the most southerly corner of said Lot 6; thence North 6° 08' 10" West, 244.30 feet to the True Point of Beginning; thence South 49° 19' 20" East, 175.15 feet; thence South 47° 16' 50" East, 570.14 feet. The above bearings are based on a bearing of North 41° 39' 03" East for the tangent portion of the northwesterly line of Lot 37 of Block 9 of Tract No. 6450, in said City, as per map recorded in Book 74, Pages 84 through 90 of Maps, in the office of said County Recorder.

**ITEM 3**
(J-81449, Parcel 2, R/W No. 13309, Map 110-144)

PARCEL 1: (Power Distribution)

That portion of that certain easement in the City of Los Angeles, County of Los Angeles, State of California, described in Right of Way Deed recorded on April 2, 1985, as Instrument No. 85-360785 of Official Records, in the office of the County Recorder of said County, lying within Lot 1 of Tract No. 60403 as per map recorded in Book 1349, Pages 50 through 52 of Maps, in the office of said County Recorder.
PARCEL 2: (Water Distribution)

That certain 20-foot-wide easement for water facilities lying within an alley, in Block H, of Ocean Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 23, Pages 93 and 94, of Miscellaneous Records, in the office of the County Recorder, of said County, granted to the City of Los Angeles by Pioneer French Baking Co., INC., a corporation, as described in Right of Way Deed recorded on April 2, 1985, as Instrument No. 85-360784, of Official Records, of said County Recorder’s Office.

The above-described parcel of land contains an area of approximately 5,715.00 square feet

ITEM 4
(P-82235, Map 168-168)

PARCEL 1

That certain 20-foot wide easement in Lot 1 of Tract No. 63579, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1360, Pages 42 and 43 of Maps, in the office of the County Recorder of said County, the northerly line of said 20-foot wide easement is shown as "N’LY LINE OF A 20 FT. WIDE EASEMENT OF THE CITY OF LOS ANGELES FOR PUBLIC UTILITY PURPOSES PER ORDINANCE NO. 74072" on said Tract No. 63579.

EXCEPTING therefrom the southerly 4.00 feet of said Lot 1.

ITEM 5
(P-82399, Map 98-157)

Those portions of Lot 11 of Tract No. 24344, in the City of Los Angeles, County of Los Angeles, State of California, as per map thereof recorded in Book 691, pages 29 through 31, of Maps in the office of the County Recorder of said County, lying within those certain strips of land, 10.00 feet and 2.00 feet wide, described in deeds recorded in Book 02706, 695, and Book D2706, Page 697, both of Official Records in the office of the County Recorder of said County.

ITEM 6
(W-83116, Map 128-216)

That certain 8-foot-wide easement for water facilities lying within the "Plat of the City Lands of Los Angeles", in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Page 64, of Patents, in the office of the County Recorder, of said County, granted to the City of Los Angeles by Southern California Rapid Transit District, as described in Right of Way Deed recorded January 27, 1988, as Instrument No. 88-118179, of Official Records, of said County Recorder's Office.

The above-described Parcel of Land contains an area of approximately 56.00 square feet.

ITEM 7
(P-84507, Map 120-201)

Those certain 2 feet wide, 10 feet wide, 11 feet wide, and variable width easements in Lot 1 of Tract No. 28980, in the City of Los Angeles, County of Los Angeles, State of California, as per
ITEM 8
(J-84742, Parcel 2, R/W No. 13322, Map 134-183)

PARCEL 1: (Power Distribution)

The easterly 5.00 feet of Lots 101, 103, 105, 107, 109, 111, and 113 of Tract No. 4642, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 50, Pages 42 and 43 of Maps, in the office of the County Recorder of said County.

Together with that portion of the easterly 5.00 feet of Lot 115 of said Tract No. 4642 lying northerly of the northerly line of that certain parcel of land described in Irrevocable Offer To Dedicate recorded on November 13, 1985, as Instrument No. 85-1345542 of Official Records, in the office of said County Recorder, said northerly line being a line parallel with and distant northerly 15.00 feet from the southerly line of said Lot 115.

Together with the westerly 5.00 feet of Lots 1 through 8 of Tract No. 5690, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 60, Page 76 of Maps, in the office of the County Recorder of said County.

PARCEL 2: (Water Distribution)

That certain 10-foot-wide water facilities and distribution easement in Lot 105 of Tract No. 4642, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 50, Pages 42 and 43, inclusive, of Maps, in the office of the County Recorder, of said County, as described in Right of Way Deed granted to the City of Los Angeles by Metroplaza Partners, a California partnership, recorded June 11, 1985, as Instrument No. 85-656700, of Official Records, in the office of said County Recorder.

The above-described parcel of land contains an area of approximately 100.00 square feet

ITEM 9
(P-84884, Map 225-141)

That portion of that certain easement, 12 feet in width, lying within Parcels C and D of Parcel Map L.A. No. 6143, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 233, Pages 36 through 40 of Parcel Maps, in the office of the County Recorder of said County, the centerline of said easement is shown on said Parcel Map L.A. No. 6143 as "C of a 12' Wide Public Utility Easement of the City of Los Angeles per Tr. No. 44622, M.B. 1080-26/30."

ITEM 10
(P-84903, Map 106-153)

Those portions of Parcels A and C of Parcel Map L.A. No. 2794, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 66, Page 6 of Parcel Maps, in the office of the County Recorder of said County, lying within that certain easement described in Right of Way Deed recorded on October 18, 1974, as Instrument No. 1966, in Book D6448, Page 652 of Official Records, in the office of said County Recorder.

EXCEPTING therefrom that portion lying southeasterly of the southwesterly prolongation of that certain southeasterly line of Parcel B of said Parcel Map L.A. No. 2794 having a bearing and distance of North 59° 41’ 47” East, 459.77 feet as shown on said Parcel Map L.A. No. 2794.
ITEM II 
(P-84931, Map 142-153)
The southeasterly 10 feet of Parcel A of Parcel Map L.A. No. 2039, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 38, Page 44 of Parcel Maps, in the office of the County Recorder of said County, as described in Right of Way Deed recorded on September 22, 1972, as Instrument No. 2743, in Book D5611, Page 819 of Official Records, in the office of said County Recorder.

ITEM 12 
(P-85402, Map 200-117)
All that certain variable width easement as disclosed in Right of Way Deed to the City of Los Angeles, a municipal corporation, recorded July 14, 1988 as Instrument No. 88-1106542, of Official Records.

Excepting therefrom a 15 foot wide strip of land over a portion of Lots 2 and 3 of Tract No. 25011, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 798, Pages 27 and 28 of Maps, in the office of the County Recorder of said County, the centerline of which is described as follows:

Beginning at the Westerly terminus of that course, North 89°59' 40" West, 253.94 feet in the centerline of that certain 15-foot wide strip of land as described in Right of Way Deed to the City of Los Angeles, a municipal corporation, as Instrument No. 2964, recorded September 10, 1971 in Book D-5187 Page 89 of Official Records;

Thence North 89°59' 40" West, 47.50 feet to the beginning of a tangent curve concave southeasterly having a radius of 50.00 feet;

Thence Southwesterly along said curve through a central angle of 90° 00' 00" an arc distance of 78.54 feet;

Thence South 00° 00' 120" West 94.42 feet to the beginning of a tangent curve concave northwesterly having a radius 12.50 feet;

Thence Southwesterly along said curve through a central angle of 90°00' 00" an arc distance of 19.63 feet;

Thence North 89° 59' 40" West 25.00 feet to its terminus.

Also a portion of that certain 15 foot strip of land as described in Right of Way Deed to the City of Los Angeles, a municipal corporation, as Instrument No. 2964 1 recorded September 10, 1971 in Book D-5187 Page 89, of Official Records, bounded on the north by the westerly prolongation of the southerly line of said 15 foot wide strip of land having a bearing and distance of North 89°59' 40" West, 253.94 feet and bounded southerly by the southerly line of Lot 2 of Tract 25011 1 in the City of Los Angeles, County of Los Angeles State of California, as per map recorded in Book 798 Pages 27 and 28 of Maps, in the office of the County Recorder of said County.

ITEM NO. 20 – Authorizes execution of Memorandum of Understanding between the Edison Electric Institute, as Administrator on behalf of Utility Air Regulatory Group (UARG) and the Los Angeles Department of Water and Power providing for membership in UARG for a total cost not to exceed $175,000 for the period of January 2014 through December 31, 2014. Submitted by Director of Environment and Efficiency.
WHEREAS, there is vital need for electric utilities to maintain a forum for the mutual exchange of ideas, to conduct research, to establish such methods of operations with respect to air quality regulatory issues as will inure to the benefit of the Nation's environment, and to coordinate such activities with those of the United States Environmental Protection Agency (USEPA); and

WHEREAS, the Utility Air Regulatory Group, (UARG) is a voluntary, ad hoc, not-for-profit group of electric utilities located throughout the United States, organized for the purpose of coordinating with the USEPA the development of suitable guidelines and regulations relating to rulemaking resulting from the federal Clean Air Act; and

WHEREAS, the Edison Electric Institute (EEI), formed for the purpose of acting on behalf of the common interests of the electric utility industry, has consented to act as Administrator of UARG; and

WHEREAS, the Los Angeles Department of Water and Power (LADWP) is vitally interested in said guidelines and regulations as they apply to its existing and planned generating facilities and operations; and

WHEREAS, it is in the best interest of the LADWP to be a member of said association and participate in the work of UARG.

NOW, THEREFORE, BE IT RESOLVED that this Memorandum of Understanding (MOU), approved as to form and legality by the City Attorney and filed with the Secretary of the Board Water and Power Commissioners of the City of Los Angeles (Board), between the LADWP and EEI, on behalf of UARG, providing for the LADWP's membership in UARG from January 1, 2014 through December 31, 2014, and providing for the appropriation of an amount not to exceed $175,000 for the term of this MOU be and the same is hereby approved; and .

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 payment of the obligations arising under this MOU; and

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

ITEM NO. 21 – Resolution recommending delegation of authority to the General Manager to amend a cost recovery agreement with the US Department of Agriculture, Forest Service for the Barren Ridge Renewable Transmission Project. Submitted by Director of Environment and Efficiency.

RESOLUTION NO. 014 039

WHEREAS, the Los Angeles Department of Water and Power (LADWP) has an obligation to provide safe and reliable power to its customers; and

WHEREAS, the LADWP recognizes the need to improve the reliability of its power supply through upgraded and increased capacity of transmission lines; and

WHEREAS, the Barren Ridge Renewable Transmission Project (Project) would improve reliability of the power supply; and .

WHEREAS, the Project will enable LADWP to maximize the amount of wind, solar, and other renewable energy that can serve LADWP's 1.4 million electric customers; and
WHEREAS, the Project passes through federal lands and requires federal permits, actions, or oversight to comply with the National Environmental Policy Act (NEPA); and

WHEREAS, the LADWP must execute specific agreements with the United States Department of Agriculture for compliance with NEPA; and

WHEREAS, the LADWP executed a Category 6 Major Cost Recovery Agreement No. 07MJ-11050153-840 ("Cost Recovery Agreement" OMB No. 0596-0082) in October 2007 with the United States Department of Agriculture, Forest Service, for a 63-month period not to exceed $310,561.29; and

WHEREAS, because of the complexity of the project and alternatives to the project, Amendment No.1 to Category 6 Major Cost Recovery Agreement No. 07MJ-11050153-840 was approved in May of 2010, by increasing the contract by an additional $234,853.71 to a revised contract total of $545,415; and

WHEREAS, due to extensive public comment leading to continued complexities of the project and alternatives, Amendment No.2 Category 6 Major Cost Recovery Agreement No. 07MJ-11050153-840 was approved in March of 2012, by increasing the contract by an additional $132,242 to a revised contract total of $677,657 and extending the completion date from December 31, 2012 to June 30, 2013; and

WHEREAS, although the final Environmental Impact Statement was approved by the USFS in June 2013, an additional 18 months are needed by the USFS to complete the NEPA review and subsequently issue the associated permits for the Project; and

WHEREAS, in order to ensure the Project remains on schedule, delegation of authority to the General Manager to amend the Cost Recovery Agreement is needed while the USFS works on finalizing the amended Agreement; 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 amend the Agreement to extend the duration from June 30, 2013 to December 31, 2014 and to modify the Agreement scope, without any revisions to the total Agreement limit; and

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 Environmental Affairs Division of LADWP will be the custodian of the record of all proceedings for this project.

Seconded by Commissioner Noonan and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.

ITEM NO. 27 – Approval of Settlement Agreement and Release Concerning Modification to Phase 7a Stipulated Order for Abatement and Keeler Dunes Project; Authorization to Submit Joint Petition Re: Stipulated Modification to Phase 7a Abatement Order. Submitted by Senior Assistant General Manager – Water System and Director of Environment and Efficiency Division.
WHEREAS, the Los Angeles Department of Water and Power (LADWP) has been implementing the Owens Lake Dust Mitigation Program (OLDMP) since 2000, which includes the construction and operation of dust control measures (DCMs) on Owens Lake in compliance with orders issued by Great Basin Unified Air Pollution Control District (GBUAPCD) under the authority of California Health & Safety Code Section 42316 (Section 42316), legal settlement agreements with GBUAPCD, lease agreements for use of state lands (administered by the California State Lands Commission (CSLC)) and other regulatory approvals;

WHEREAS, LADWP is currently controlling dust on 42 square miles of the Owens Lake area;

WHEREAS, on March 17, 2011, the GBUAPCD Governing Board issued Stipulated Order for Abatement, Order No. 110317-01 (Original Abatement Order). The Original Abatement Order requires LADWP to construct a dust control project, known as Phase 7a, on approximately 3.1 square miles of the Owens Lakebed, which includes six Dust Control Areas ("DCAs"), T37-1, T37-2, T1A-3, T1A-4, T-32-1 and T12-1 (Phase 7a areas). The Original Abatement Order allows LADWP to transition approximately 3.0 square miles of existing dust control areas (Transition Areas).

WHEREAS, the Original Abatement Order requires LADWP to install Best Available Control Measures (BACM) in DCAs T37-1, T37-2, T1A-3, T1A-4 and T-32-1 and provides for LADWP to change BACM in the Transition Areas to conserve water, by no later than December 31, 2013, and to install BACM in the T12-1 tillage test area by May 1,2016 (see also GBUAPCD Governing Board Order No. 120206-07). Under the Original Abatement Order, all Phase 7a Areas and Transition Areas controlled by Managed Vegetation BACM are to achieve fully-compliant BACM vegetation cover by December 31, 2015. Installation of BACM on the Phase 7a DCAs and Transition Areas entails ground disturbing activities such as grading, planting, dirt moving, boring, trenching and road, berm, pipeline and other construction.

WHEREAS, LADWP was required under GBUAPCD Governing Board Order No. 080128-01 (Board Order 080128-01), the enforcement Board order for the 2008 Owens Valley PM10 Planning Area Demonstration of Attainment State Implementation Plan (2008 SIP), to conduct environmental review for the Phase 7a project in compliance with the California Environmental Quality Act (CEQA). LADWP unexpectedly discovered significant cultural and archaeological resources in the Phase 7a area during the CEQA process that required LADWP to undertake additional investigations under CEQA and to comply with mitigation measures included in GBUAPCD's supplemental environmental impact report for the 2008 SIP (SEIR), both of which resulted in unanticipated CEQA and project design and construction delays that were outside of LADWP's control.

WHEREAS, LADWP released the draft Phase 7a EIR for public review and comment in January 2013 for a 45 day public comment period. LADWP staff considered and responded to public comments, conducted further consultations with Native American groups and others about project impacts and comments on the draft EIR, and revised the draft EIR, as necessary, to incorporate any changes to the project. Alternatives were identified in the EIR that would avoid impacts to cultural resources by excluding California Register of Historic Resources (CRHR)-eligible areas from the Phase 7a project, including the Avoidance Alternative, which involved construction of the originally proposed Phase 7a project, except for 350 acres of Phase 7a subareas T1A-3, T32-1, T37-1 and T37-2 known to contain significant cultural resources.

WHEREAS, on June 4, 2013, LADWP's Board of Water and Power Commissioners considered and certified the final Phase 7a EIR and approved the Avoidance Alternative for the Phase 7a project, subject to and contingent upon the GBUAPCD Governing Board's approval of a petition to modify the Original Abatement Order to remove these 350 acres from the original Phase 7a area, and to make any other additional changes necessary to ensure consistency between the Original Abatement Order, the Phase 7a project and the Final EIR, including, but not limited to,
obtaining extensions of time for completing the Phase 7a project necessitated by the unexpected discovery of significant cultural resources in the Phase 7a areas.

WHEREAS, paragraph 5 of the Original Abatement Order outlines circumstances that allow LADWP to seek an extension of time to comply with the Original Abatement Order, without penalty, when it is acting in good faith to comply with the terms of the Original Abatement Order but is impeded by circumstances beyond its control. In compliance with the Original Abatement Order, LADWP's Board of Water and Power Commissioners adopted three resolutions on February 7, 2012 (Resolution No. 012170), April 3, 2012 (Resolution No. 012-210), and January 11, 2013 (Resolution No. 013-157), finding that LADWP has acted in good faith to comply with the Original Abatement Order, but has been impeded by the unexpected discovery of significant cultural resources in the Phase 7a areas. In compliance with paragraph 6 of the Original Abatement Order, LADWP notified GBUAPCD's Air Pollution Control Officer (APCO) of each resolution and proposed schedules of increments of progress. The APCO objected to LADWP's Resolution No. 013-157 on February 4, 2013. Pursuant to paragraph 5 of the Original Abatement Order, LADWP requested a meeting with GBUAPCD Governing Board members to attempt to resolve the dispute.

WHEREAS, designated members of the LADWP and GBUAPCD Boards engaged in several meetings (Settlement Meetings) in April, May and June 2013 to resolve the dispute related to the Original Abatement Order. During the Settlement Meetings, the Parties also attempted to resolve a separate dispute related to the development and origin of the Keeler Dunes and a possible future GBUAPCD order requiring control of emissions at the Keeler Dunes. The GBUAPCD Governing Board has not made any findings or issued any order concluding that the Keeler Dunes are anthropogenic in nature and/or caused by LADWP's activities in the production, diversion, storage, or conveyance of water. The GBUAPCD Governing Board has not made any findings or issued any order concluding that LADWP is liable for, or that LADWP's activities in the production, diversion, storage, or conveyance of water has caused or contributed to any violations of state or federal air quality standards in the Keeler Dunes or other dunes areas, including the Swansea and Olancha Dunes, in the vicinity of Owens Lake.

WHEREAS, the Settlement Meetings resulted in an agreement on settlement terms dated June 17, 2013 (Term Sheet) that was approved by LADWP's Water and Power Commissioners on June 26, 2013, and the GBUAPCD Governing Board on June 27, 2013. The settlement terms are memorialized in the proposed Settlement Agreement attached to this Resolution as Exhibit 1. Consistent with and in furtherance of the Term Sheet and Settlement Agreement, LADWP and the APCO are required to jointly submit a stipulated modification to the Original Abatement Order for the GBUAPCD's consideration and approval. The proposed Stipulated Modification to Abatement Order No. 101307-01 (Order No. 130819-01) that will be considered by GBUAPCD's Governing Board is attached to this Resolution as Exhibit 2 (Modified Abatement Order). Neither the Settlement Agreement nor Modified Abatement Order result in any waiver of arguments raised in other proceedings or disputed issues that are not covered under the Settlement Agreement, including but not limited to GBUAPCD's Supplemental Control Requirements Determination (SCRD) process, SB 270 budgets, and fees.

NOW, THEREFORE, BE IT RESOLVED that the City of Los Angeles Board of Water and Power Commissioners (Board) recognizes that a Settlement Agreement and Modified Abatement Order have been prepared consistent with and in furtherance of the Term Sheet previously approved on June 26, 2013.

BE IT FURTHER RESOLVED that this Board hereby approves the proposed Settlement Agreement (Exhibit 1).

BE IT FURTHER RESOLVED that this Board authorizes LADWP to jointly submit the Modified Abatement Order (Exhibit 2) to GBUAPCD's Governing Board for consideration.

(A Verbal Motion was moved by Commissioner Parfrey, seconded by Commissioner Moss, that this item be amended as follows: "That the acreage shall be changed from 328 to 277 and that other minor changes be made in accordance with the exact language of the Settlement Agreement
and Release and Stipulated Modification to the Phase 7 a Abatement Order that were adopted by the Great Basin Unified Air Pollution Control District Governing Board on August 19, 2013.

Approval moved by Commissioner Parfrey.

Seconded by Commissioner Moss and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.


RESOLUTION NO. 014 041

WHEREAS, the State Water Resources Control Board (SWRCS) appointed Stream Scientists submitted their report "Mono Basin Stream Restoration and Monitoring Program: Final Report on Synthesis of Instream Flow Recommendation to the State Water Resources Control Board and the Los Angeles Department of Water and Power" (Synthesis Report) which synthesized 12 years of monitoring in the Mono Basin; and

WHEREAS, the Los Angeles Department of Water and Power (LADWP) determined that certain recommendations in the Synthesis Report were not feasible because of the costs and physical infrastructure limitations, while certain entities (California Department of Fish and Wildlife, Mono Lake Committee, and California Trout) (hereinafter "Parties"), wanted LADWP to modify the infrastructure;

WHEREAS, as an avenue to resolve the differences, LADWP along with the Parties requested SWRCB for permission to enter into facilitated process to resolve the differences; and

WHEREAS, the SWRCB authorized such process and, by subsequent letters, extended the deadline for completion until September 30, 2013; and

WHEREAS, LADWP and the Parties have resolved their differences as stipulated in the proposed settlement agreement titled "Settlement Agreement Regarding Continuing Implementation of Water Rights Orders 98-05 and 98-07 (Agreement)"; and

WHEREAS, under the Agreement, the Grant outlet improvement has a preliminary cost estimate of about $15,800,000 of which half of the capital cost will be offset by LADWP being allowed to export additional 12,000 AF of water from the Mono Basin; and

WHEREAS, under the Agreement, a one-time payment of $500,000 will cover stream restoration projects and waterfowl restoration activities and $275,000 for pre-existing obligations for waterfowl restoration activities; and

WHEREAS, under the Agreement, LADWP will open a Mono Basin Monitoring Account at a bank or similar institution and deposit funds for restoration and monitoring activities. The restoration and monitoring aspect will have total payment for 10 years of about $6,525,000 (without CPI adjustments).

WHEREAS, under the Agreement, an annual payment to a Monitoring Account to be administrated by the Parties for the purpose of monitoring and associated administrative costs with initial payment of $575,000 (in 2013), of which $299,000 shall be for stream monitoring and
$276,000 for waterfowl and limnology monitoring, with this payment be adjusted annually by CPI (Los Angeles-Riverside Counties); and

NOW, THEREFORE, BE IT RESOLVED, that said Agreement, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between the Department of Water and Power of the City of Los Angeles and the Parties.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Water Revenue Fund in deposit to the Monitoring Fund.

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

Approval moved by Commissioner Parfrey.

Seconded by Commissioner Moss and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.
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., Inyo County Superior Court Case No. SI CV PT 1254188, pursuant to Section 54956.9 (d)(1) of the California Government Code.

3. Ayala Boring, Inc. v. Department of Water and Power of the City of Los Angeles, a public entity; W.A. Rasic Construction Company, Inc., a corporation; Safeco Insurance Company of America, a surety; and Does 1 through 100, inclusive, Los Angeles Superior Court Case No. BC 468667, pursuant to Section 54956.9 (d)(1) of the California Government Code.

4. Carlos Morales-Barcenas v. Los Angeles Department of Water and Power, Los Angeles Superior Court Case No. BC494985, pursuant to Section 54956.9(d)(1) of the California Government Code.


B. Anticipated litigation in the following matters:

1. LADWP Claim File No. 1030459, pursuant to Subdivision (d)(2) of Section 54956.9 of the California Government Code.

2. LADWP Claim File No. 1030458 Sub. 3, pursuant to Subdivision (d)(2) of Section 54956.9 of the California Government Code.

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

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

C. Conference with Labor Negotiators:

1. 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

D. Real Estate Matter:

1. Pursuant to Government Code Section 54956.8, the Board will meet in closed session for a conference with Real Property Negotiators concerning the price and terms of the Lease of Real Property at 525 and 537 South Hewitt Street, and 516 and 542 Colyton Street, Los Angeles, California by the LADWP to La
Kretz Innovation Campus, a nonprofit public benefit corporation and the Lease of such real property plus additional improvements to be made thereon back to LADWP. LADWP Real Property Negotiators: Ronald Nichols, Beth Jines and Philip Leiber. Negotiating Parties: La Kretz Innovation Campus, a California nonprofit corporation

MEETING RECESSED at 2:37 p.m.

MEETING RECONVENED at 2:42 p.m.
MINUTES OF CLOSED SESSION OF THE BOARD OF
WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES
HELD IN ROOM 1555
AUGUST 27, 2013
2:42 P.M.

Meeting called to order by President Thomas Sayles and roll called:

Present – Commissioners: President Sayles
Richard Moss
Jonathan Parfrey
Christina E. Noonan

Absent – Eric Holoman

A quorum present.

IN ATTENDANCE were the following:

Ronald O. Nichols, General Manager
Eduardo Angeles, Deputy City Attorney
Aram Benyamin, Senior Assistant General Manager – Power System
Kelli Bernard, Director of Economic Development
Joseph Brajevich, Assistant General Counsel, Water and Power
Richard M. Brown, General Counsel, Water and Power
Timothy J. Chung, Assistant City Attorney
Beth Jines, Director of Strategic Initiatives, General Manager’s Office
Philip Leiber, Chief Financial Officer
James B. McDaniel, Senior Assistant General Manager – Water System
Mark J. Sedlacek, Director of Environment and Energy Efficiency Division

Also, in attendance:

Micah Halverson, Kutak Rock LLP
Michael K. Reppe, Kutak Rock LLP
Cam Turner, United Fund Advisors

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

Anticipated litigation in the following matter:

ITEM NO. 32D – Real Estate Matter:

Pursuant to Government Code Section 54956.8, the Board will meet in closed session for a conference with Real Property Negotiators concerning the price and terms of the Lease of Real Property at 525 and 537 South Hewitt Street, and 516 and 542 Colyton Street, Los Angeles, California by the LADWP to La Kretz Innovation Campus, a nonprofit public benefit corporation and the Lease of such real property plus additional improvements to be made thereon back to LADWP. LADWP Real Property Negotiators: Ronald Nichols, Beth Jines and Philip Leiber. Negotiating Parties: La Kretz Innovation Campus, a California nonprofit corporation

Discussion held – no action taken.
MEETING RECESSED at 3:02 p.m.

MEETING RECONVENED TO OPEN SESSION at 3:06 p.m.

ITEM NO. 26 - Approves and authorizes the Lease of Real Property at 525 and 537 South Hewitt Street, and 516 and 542 Colyton Street, Los Angeles, California by the Los Angeles Department of Water and Power to La Kretz Innovation Campus, a nonprofit public benefit corporation; the Lease of such real property plus additional improvements to be made thereon back to LADWP and authorizes the execution of Leverage Loans, Leverage Loan Documents and other Transaction Documents necessary to enable La Kretz Innovation Campus to access New Markets Tax Credit Program Funding. Council approval is required. Submitted by General Manager.

RESOLUTION NO. 014 042

WHEREAS, the Department of Water and Power of the City of Los Angeles ("LADWP") previously purchased the real property located at 525 and 537 South Hewitt Street and 516 and 542 Colyton Street, Los Angeles, California, and all improvements located thereon (the "Property"); and

WHEREAS, LADWP has determined that the La Kretz Innovation Campus (the "Campus") will be constructed and located on the Property; and

WHEREAS, the Campus will house a synergistic mix of cleantech tenants, including, but not limited to, the Los Angeles Cleantech Incubator ("LACI"), LAC I Laboratories and Prototype Manufacturing Workshop, the LADWP Energy Efficiency Technology Center and the LADWP Customer Service Demonstration Center; and

WHEREAS, the construction of the Campus will be managed by LADWP in partnership with the City of Los Angeles Department of Public Works -Bureau of Engineering; and

WHEREAS, the Board of Water and Power Commissioners of the City of Los Angeles (the "Board") has determined that the LADWP's participation in facilitating the Transaction (as hereinafter defined) and the Transaction itself serves public purposes in the City of Los Angeles, California; and

WHEREAS, the construction, equipping and improvement of the Campus will be funded from a variety of sources, including, but not limited to, an investment obtained under the New Markets Tax Credit Program (the "NMTC Program"), established in 2000 as part of the Community Renewal Tax Relief Act of 2000; and

WHEREAS, to facilitate participation in the NMTC Program, La Kretz Innovation Campus (the "Corporation") was organized as a nonprofit public benefit corporation under the laws of the State of California; and

WHEREAS, to facilitate compliance with the requirements of the NMTC Program, LADWP will be required to lease its interest in the Property to the Corporation pursuant to a ground lease (the "Ground Lease"), and the Corporation, as lessee, will be required to lease back the Property plus the additional improvements to be made thereon to LADWP, as lessee, pursuant to a Lease Agreement for the Use, Operation and Maintenance of La Kretz Innovation Campus (the "Lease Agreement"), which will require LADWP to, among other things, operate and maintain the Campus; and

WHEREAS, pursuant to Section 607 of the Charter of the City of Los Angeles, approval of the City Council of the City of Los Angeles (the "City Council") is required for LADWP to lease the Property to the Corporation; and 4847-3164-8531.10
WHEREAS, in order to facilitate the Transaction (as hereinafter defined) in compliance with the requirements of the NMTC Program, LADWP will be required to make loans from any legally available funds (the "Leverage Loans") of not to exceed $30,000,000 to LKIC Investment Fund 1, LLC, a single-purpose investment fund ("Investment Fund 1"), and not to exceed $4,000,000 to LKIC Investment Fund 2, LLC, a single-purpose investment fund ("Investment Fund 2"); and

WHEREAS, in connection with the Leverage Loans, LADWP desires to enter into one or more Fund Loan Agreements (the "Loan Agreements") and one or more Pledge Agreements (the "Pledge Agreements") with Investment Fund 1 and Investment Fund 2, respectively (collectively, the "Funds"); and

WHEREAS, the Funds will use the proceeds of the Leverage Loans, together with other funds to be invested in the Funds by U.S. Bancorp Community Development Corporation (the "Tax Credit Investor") to fund qualified equity investments in certain community development entities (collectively with their respective suballocatees the "CDEs"), which will entitle the Tax Credit Investor to claim New Markets Tax Credits; and

WHEREAS, the CDEs will make loans to the Corporation for the purpose of financing the leasing, acquisition, construction and equipping of the Campus, establishing reserves and paying fees, other up-front costs and the closing costs (the "QUCI Loans") in accordance with those certain loan and security documents to be entered into by the CDEs and the Corporation; and

WHEREAS, in order to facilitate the timely construction of the Campus, LADWP will be required, pursuant to the terms of a Development Services Agreement (the "Development Services Agreement"), to be entered into with the Corporation, to oversee and cause the construction and rehabilitation of the Campus on the Property; and

WHEREAS, the proceeds of payments made by the Corporation to the CDEs under the QUCI Loans will be distributed to the Funds as their source of funds for payments of principal and accrued interest to be made to LADWP under the Leverage Loans; and

WHEREAS, LADWP will benefit from the acquisition by the Tax Credit Investor of an interest in the Funds and an indirect interest in the CDEs as an investor, and desires to comply with the requirements of the Tax Credit Investor, as a condition to its agreement to facilitate the transactions as an investor in the Funds and the CDEs, to execute, in favor of the Tax Credit Investor, an Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification (the "Guaranty of NMTCs") in which LADWP, together with the Corporation, will agree to pay to the Tax Credit Investor the amount of any recapture, disallowance or loss by the Tax Credit Investor of any of the New Markets Tax Credits as set forth in the Guaranty of NMTCs up to the maximum liability set forth in the Guaranty of NMTCs; and

WHEREAS, (a) the leasing of the Property by LADWP to the Corporation and the leasing of the Property plus the additional improvements to be made thereon. by LADWP back from the Corporation pursuant to the Ground Lease and the Lease Agreement, respectively, (b) the making of the Leverage Loans to the Funds under the terms of the Loan Agreements, (c) the incurrence of the obligations of LADWP set forth in the Guaranty of NMTCs, and (d) the execution and delivery of the Ground Lease; the Lease Agreement, the Loan Agreements, the Development Services Agreement, the Pledge Agreements, the Guaranty of NMTCs, the Put and Call Agreements (as hereinafter defined), the Environmental Indemnity (as hereinafter defined), the NonDisturbance Agreement (as hereinafter defined), the SNDA Agreement (as hereinafter defined), and any other agreements, certificates, filings, financing statements, instruments or documents as may be necessary or appropriate related thereto (collectively referred to herein as the "Transaction") are necessary to obtain the NMTC investment for the development of the Project; and
WHEREAS, the Ground Lease, the Lease Agreement, the Loan Agreements, the Pledge Agreements, the Grant Deed, the Guaranty of NMTCs, the Development Services Agreement, the Put and Call Agreements, the Environmental Indemnity, the Non-Disturbance Agreement, the SNDA Agreement and any other agreements, certificates, filings, financing statements, instruments or documents as may be necessary or appropriate to be executed and delivered by LADWP in connection with, the Transaction, are collectively referred to herein as the "Transaction Documents"; and

NOW THEREFORE, BE IT RESOLVED, that the Board has determined that LADWP's participation in facilitating the Transaction and the Transaction itself serves public purposes and are in the best interests of the City of Los Angeles, California, and hereby authorizes and approves the participation by LADWP in the Transaction as described in the foregoing recitals, and specifically authorizes and approves (a) leasing the Property to the Corporation (subject to the prior approval of the City Council) pursuant to the Ground Lease, for an upfront rental payment of not less than $12,525,000, and leasing the Property plus the additional improvements to be made thereon back from the Corporation pursuant to the Lease Agreement, (b) making the Leverage Loans to the Funds, under the terms of the Loan Agreements, (c) providing the Tax Credit Investor with a guarantee in connection with any recapture, disallowance or loss of any of the New Markets Tax Credits pursuant the Guaranty of NMTCs, and (d) executing and delivering the other Transaction Documents; and

BE IT FURTHER RESOLVED, that the Ground Lease and the Lease Agreement, in substantially the forms on file with the Secretary of the Board, and the performance of LADWP of its obligations thereunder (including, but not limited to, making lease payments to the Corporation in accordance with the terms of the Lease Agreement), are hereby authorized and approved. Subject to the prior approval of the City Council to lease the Property to the Corporation, the General Manager of LADWP, the Acting General Manager of LADWP, and the Chief Financial Officer of LADWP (each a "Designated Officer"), acting singly, are hereby authorized, in the name and on behalf of LADWP, to execute and deliver the Ground Lease and the Lease Agreement in substantially said forms, with such changes, insertions and deletions as the Office of the City Attorney of the City of Los Angeles (the "City Attorney") may approve, such approval to be conclusively evidenced by the City Attorney's stamp as to form and legality thereon; and

BE IT FURTHER RESOLVED, that the City Council is requested to make the finding that the leasing of the Property for the Project is in the best interests of the City and approve the leasing of the Property pursuant to the Ground Lease as provided in Los Angeles City Charter Section 607; and

BE IT FURTHER RESOLVED, that the Loan Agreements, the Pledge Agreements, the Development Services Agreement, the Guaranty of NMTCs, the Investment Fund Put and Call Agreement, one or more of which will be entered into by the Tax Credit Investor and LADWP (collectively, the "Put and Call Agreements"), the Certificate and Indemnity Regarding Hazardous Substances, which will be entered into by the Corporation and LADWP (the "Environmental Indemnity"), the Non-Disturbance and Attornment Agreement, which will be entered into by the Corporation, the CDEs and LADWP (the "Non-Disturbance Agreement"), and the Subordination, NonDisturbance and Attornment Agreement, which will be entered into by the Corporation, the CDEs and LADWP (the "SNDA Agreement"), in substantially the forms on file with the Secretary of the Board, and the performance of LADWP of its obligations thereunder, are hereby authorized and approved. The Designated Officers, acting singly, are hereby authorized, in the name and on behalf of LADWP, to execute and deliver the Loan Agreements, the Development Services Agreement, the Pledge Agreements, the Guaranty of NMTCs, the Put and Call Agreements, the Environmental Indemnity, the Non-Disturbance Agreement and the SNDA Agreement in substantially said forms, with such changes, insertions and deletions as the Office of the City Attorney of the City of Los Angeles (the "City Attorney") may approve, such approval to be conclusively evidenced by the City Attorney's stamp as to form and legality thereon; and
BE IT FURTHER RESOLVED, that the Designated Officers are hereby authorized on behalf of LADWP, to execute, deliver and perform such further agreements, certificates, filings, financing statements, instruments, actions and other documents as may be necessary or appropriate to consummate the Transaction contemplated or required by the Transaction Documents, including but not limited to, a collateral assignment of the Development Services Agreement, a non­debarment certificate, a memorandum of lease, a disbursement agreement controlling the disbursement of loan proceeds provided by the CDEs to finance the Campus, a community benefits agreement required by the CDEs to maintain compliance with their NMTC allocation agreements and purchasing, pursuant to the terms of the Put and Call Agreements, the interests of Investment Fund 1 and Investment Fund 2 in the Leverage CDEs;

BE IT FURTHER RESOLVED, that any action previously taken by the Designated Officers or any other officer or representative of LADWP, in the name of or on behalf of LADWP and in furtherance of the Transaction, is hereby ratified, confirmed and approved in all respects as the action of or action on behalf of LADWP; and

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, the Water Revenue Fund and other grant funding received by the LADWP for payment of the development financing obligations arising under the Transaction Documents, which amount is currently estimated to be $38,000,000.

Approval moved by Commissioner Parfrey.

Seconded by Commissioner Noonan and carried by the following vote:

Ayes, Commissioners Noonan, Parfrey, President Sayles;

Noes, Commissioner Moss.

Commissioner Moss moved that the following four resolutions be deferred.

ITEM NO. 11 – Authorizes execution of Pole Attachment License Agreement No. PD-2924 with Cox Communications California, LLC. Submitted by Senior Assistant General Manager – Power System.

This item was deferred.

ITEM NO. 12 – Authorizes execution of Pole Attachment License Agreement No. PD-2931 with Sunesys, LLC. Submitted by Senior Assistant General Manager – Power System.

This item was deferred.

ITEM NO. 13 – Authorizes execution of Pole Attachment License Agreement No. PD-2933 with Zayo Group, LLC. Submitted by Senior Assistant General Manager – Power System.

This item was deferred.

ITEM NO. 14 – Authorizes execution of Pole Attachment License Agreement No. PD-2956 with City of Gardena and Agreement No. PD 2959 with Omega Cinema Props, Inc. Submitted by Senior Assistant General Manager – Power System.

This item was deferred.
Seconded by Commissioner Parfrey and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.

Councilmember, Tom LaBonge thanked the Commissioners for their work on the Board.

ITEM NO. 17 — Authorizes the execution of Amendments for Nonmaterial Changes to Memorandum of Agreements with the Los Angeles County Flood Control District for the Big Tujunga Reservoir Sediment Removal Project, Pacoima Reservoir Sediment Removal Project and the Pacoima Spreading Grounds Improvements Project. Submitted by Senior Assistant General Manager – Water System.

RESOLUTION NO. 014 043

WHEREAS; three Memorandum of Agreements (Agreements) were made and entered into by and between the Los Angeles Department of Water and Power (LADWP) and the Los Angeles County Flood Control District (District) collectively referred to as "Parties"; and

WHEREAS, this Amendment for nonmaterial changes modifies the Agreements for the Big Tujunga Reservoir Sediment Removal Project, Pacoima Reservoir Sediment Removal Project and the Pacoima Spreading Grounds Improvements Project (Projects); and

WHEREAS, the Agreements were adopted by the LADWP Board of Water and Power Commissioners per Resolution Nos. 013 179 and 013 180, dated January 25, 2013 and No. 013 201, dated February 12, 2013; and

WHEREAS, the Agreements provided for LADWP to fund a portion of the construction contract for the District's projects as follows: $10 million for the Big Tujunga Reservoir Sediment Removal Project, $10 million for the Pacoima Reservoir Sediment Removal Project, and $15 million the Pacoima Spreading Grounds Improvements Project; and

WHEREAS, the Agreements provide for amendments and modifications of a nonmaterial nature by the mutual written consent of the Parties' Directors or their delegates; and

WHEREAS, the Agreements require nonmaterial typographical corrections as specified in the Amendments; and

WHEREAS, the District has requested LADWP to include a nonmaterial California Environmental Quality Act and National Environmental Policy Act provision to the Agreements.

NOW, THEREFORE, BE IT RESOLVED, that the proposed Amendments to the subject Agreements between LADWP and the District for the Projects, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, be and the same is hereby approved; and

BE IT FURTHER RESOLVED, that the President or Vice President of this Board, or the General Manager, or such person as he shall designate in writing as his designee, and the Secretary, Assistant Secretary, or the Acting Secretary of this Board are hereby authorized, empowered, and directed to execute said Amendment to the Agreements herein specified for and on behalf of LADWP.
BE IT FURTHER RESOLVED, that the President or Vice President of this Board, or the General Manager, or such person as he shall designate in writing as his designee, and the Secretary, Assistant Secretary, or the Acting Secretary of this Board are "hereby authorized and empowered to amend and/or modify the subject Agreements for and on behalf of LADWP for items of nonmaterial and/or administrative in nature that does not change either price or term of the Memorandum of Agreement.

Approval moved by Commissioner Parfrey.

Seconded by Commissioner Moss and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.

President Sayles recused himself from voting on Item No. 22.

ITEM NO. 22 – Authorizes execution of Agreement No. 47194 for Smart Grid Regional Demonstration Program Consulting Services for Operations Phase with Capgemini U.S. LLC for a total amount not to exceed $2,436,169 for a term of 36 months. Submitted by Senior Assistant General Manager – Power System.

RESOLUTION NO. 014 044

WHEREAS, the Los Angeles Department of Water and Power (LADWP) issued a solicitation to procure Consulting Services for the Operations Phase of the Smart Grid Regional Demonstration Project (SGRDP); and

WHEREAS, LADWP proposes to enter into Agreement No. 47194 with Capgemini U.S, LLC (Capgemini) for consulting services for the Operations Phase of the Smart Grid Regional Demonstration Project for a term of 36 months; and

WHEREAS, LADWP evaluated, interviewed firms, contacted references and found Capgemini as most qualified to provide Consulting services; and

WHEREAS, Capgemini has reviewed the services to be provided and incorporated in this Agreement, and represents that it has the qualities, expertise, skills and abilities to perform such work.

NOW, THEREFORE, BE IT RESOLVED that LADWP proposes to enter into Agreement No. 47194 with Capgemini in an amount not to exceed $2,436,169.

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. The provided services are anticipated to be temporary in nature; therefore, LADWP will be trained to perform such services as part of the requirements of this agreement.

BE IT FURTHER RESOLVED that Agreement No. 47194, 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 LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, in accordance with the terms of the agreement 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 agreement for and on behalf of LADWP.

Approval moved by Commissioner Parfrey.

Seconded by Commissioner Noonan and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey;

Noes, None.

ITEM NO. 23 – Approves Memorandum of Agreement (MOA) with Los Angeles Personnel Department for Examination and Application Review Services. The MOA is limited to a budget of $980,000 to be provided through June 2014 and may be extended by mutual agreement in one year increments. Submitted by Senior Assistant General Manager – Power System.

RESOLUTION NO. 014 045

WHEREAS, this Memorandum of Agreement (MOA) is made and entered between the Los Angeles Department of Water and Power (LADWP) and the City of Los Angeles (City) Personnel Department, under which the Personnel Department will provide examination and certification services related to LADWP staffing requirements; enabling the LADWP to make appointments to fill critical vacancies; and

WHEREAS, this MOA is intended to ensure that sufficient qualified candidates are certified to eligible lists; and

WHEREAS, the Personnel Department is the City's sole Designated Agency to provide examination and certification services to all City Departments; and

WHEREAS, upon request, the Personnel Department will perform examinations of qualified candidates, and provide certification lists of qualified candidates to fill vacancies to LADWP and other City Departments; and

WHEREAS, the Personnel Department will employ a maximum of three (3) staff members in the classifications of Senior Personnel Analyst (1), Personnel Analyst II (1) and Senior Clerk Typist (1); who upon request by LADWP will dedicate 100 percent of their time to providing examination and certification services in accordance with this MOA; and LADWP will contribute $200,000 to Personnel Department As Needed Salaries Fund; and

WHEREAS, this MOA is limited to a budget of $980,000 for services to be provided through June 30,2014, and may be extended by mutual agreement in one year increments, not to exceed $750,000 per fiscal year.

NOW, THEREFORE BE IT RESOLVED, that the proposed MOA, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between the Department of Water and Power of the City of Los Angeles and the Personnel Department, is hereby ratified and approved; and

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager, or such person as he shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby behalf of LADWP; and
BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is hereby authorized and directed to draw demands on the Water and/or Power Revenue Funds in payment of the obligations arising under this MOA.

Approval moved by Commissioner Parfrey.

Seconded by Commissioner Moss and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.

President Sayles recused himself from Item No. 24 and left the Board Room at 3:50 p.m.

ITEM NO. 24 – Authorizes execution of Short Form IRU-18 Lease Agreement No. FO-718-01/2013 with University of Southern California, to provide the Indefeasible Right of Use of certain components of LADWP’s fiber optic network. Council approval is required. Submitted by Assistant General Manager – Systems Support Division.

RESOLUTION NO. 014 046 (AS AMENDED)

ADOPTED AS AMENDED AT 8/27/13 SPEC. BOARD MTG. SEE ATTACHED VERBAL MOTION.

WHEREAS, Short Form IRU-18 Lease Agreement No. FO-718-01/2013 (IRU-18 Agreement) between the Los Angeles Department of Water and Power (LADWP) and University of Southern California (USC), to provide the Indefeasible Right of Use of certain components of LADWP’s fiber optic network which generates revenues that shall be deposited in the LADWP’s Power Revenue Fund; 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 the lease will not interfere with LADWP operations; and

WHEREAS, IRU-18 Agreement is a replacement for Agreement Nos. FO-168-12/2002, FO-169-12/2002, FO-541-06/2008 which expires on July 1, 2013, and FO-548-09/2008 which expires on January 4, 2014; and

WHEREAS, the term of IRU-18 Agreement is ten (10) years commencing on July 1, 2013.

NOW, THEREFORE, BE IT RESOLVED that the proposed IRU-18 Agreement, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between the LADWP and USC, be and the same is hereby approved.

BE IT FURTHER RESOLVED that the General Manager or the Board of Water and Power Commissioners when appropriate has authority to modify the IRU-18 Agreement from time to time when necessary without changing the original intent of the IRU-18 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 be and they are hereby authorized and directed to execute said IRU-18 Agreement upon the approval by the City Council pursuant to the provisions of Section 606 of the Los Angeles City Charter.
A Verbal Motion was moved by Commissioner Moss, seconded by Commissioner Noonan, that this item be amended as follows: "Within the six months time when the strategic plan is back, have staff bring this particular item back to the Board for consideration as to whether this particular deal still fits within LADWP’s newly adopted strategic plan. If not, take advantage of the 180 day termination right to cast the lease.”)

Approval moved by Commissioner Moss.

Seconded by Commissioner Noonan and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey;

Noes, None.

President Sayles re-entered the Board at 3:53 p.m.

ITEM NO. 25 – Recommends approval to change the Accounting Treatment of Watershed Management Programs. Submitted by Chief Financial Officer and Senior Assistant General Manager – Water System.

RESOLUTION NO. 014 047

WHEREAS, the City of Los Angeles (City) possesses the right to pump the native groundwater of the San Fernando Groundwater Basin (SFB) in accordance with the California Superior Court’s Judgment dated January 26, 1979, in The City of Los Angeles vs. City of San Fernando, et. al., Case No. 650079; and

WHEREAS, the Department of Water and Power of the City of Los Angeles (Department) seeks opportunities to maximize groundwater recharge to sustain and augment the long-term reliability of the City’s groundwater supply in the SFB; and

WHEREAS, pursuant to the Los Angeles County Flood Control Act, the Los Angeles County Flood Control District (District) owns and manages flood control and water conservation facilities in the County of Los Angeles (County), resulting in the captured storm flows which are used to replenish groundwater basins in the County, including SFB; and

WHEREAS, the Department intends to fund by payments to the County and other governmental agencies, capital improvements with useful lives of at least 30 years, which are designed to increase stormwater capture and replenish the SFB (collectively, the Project); and

WHEREAS, the Exhibit attached hereto lists the currently eligible varieties of improvements composing the Project and the improvements’ corresponding useful lives; and

WHEREAS, the Department plans to finance costs of the Project on a long-term basis using proceeds of its debt obligations, including tax-exempt bonds, tax credit bonds, or other obligations; and

WHEREAS, these expenditures will help the Department to collect stormwater, which will provide water resources to the citizens of Los Angeles; and

WHEREAS, under the Governmental Accounting Standards Board Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (GASB No. 62), the Board of Water and Power Commissioners (Board) can direct the Department to capitalize costs that would normally be expensed under Generally Accepted Accounting Principles so as to more evenly match the Project costs with the revenue that will be recovered through rates; and
WHEREAS, it is expected that future revenue will be provided to permit recovery of previously incurred costs of the Project.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes and directs the General Manager, or his designee, on behalf of the Department, to account for all Project costs as a regulatory asset of the Water System and amortize such costs over a life not to be less than 30 years, which costs of the Project may be included with other allowable costs in future rate-making.

Accounting Treatment of Watershed Management Programs
(Dollar Amounts in 000’s)

<table>
<thead>
<tr>
<th>Budget Job</th>
<th>Project</th>
<th>Amount</th>
<th>Amortization Period for Cost Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>56162</td>
<td>Pacoima Dam Sediment Removal</td>
<td>$10,000</td>
<td>50 years</td>
</tr>
<tr>
<td>56163</td>
<td>Big Tujunga Dam Sediment Removal</td>
<td>10,000</td>
<td>50 years</td>
</tr>
<tr>
<td>56164</td>
<td>Pacoima Spreading Grounds Upgrade</td>
<td>15,000</td>
<td>50 years</td>
</tr>
<tr>
<td>56142</td>
<td>Branford Spreading Basin Upgrade</td>
<td>2,000</td>
<td>50 years</td>
</tr>
<tr>
<td>56143</td>
<td>Strathern Wetlands Park</td>
<td>2,000</td>
<td>30 years</td>
</tr>
<tr>
<td>56165</td>
<td>Victory-Encino Median</td>
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<td>30 years</td>
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<tr>
<td>56138</td>
<td>Burbank Boulevard BMP Project</td>
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<td>30 years</td>
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<tr>
<td>56141</td>
<td>Hansen Dam Water Conservation Project</td>
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</tr>
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<td>56145</td>
<td>Woodman Avenue Stormwater Capture Project</td>
<td>256</td>
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</tr>
<tr>
<td>56146</td>
<td>Laurel Canyon Boulevard Green Street Project</td>
<td>521</td>
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</tr>
<tr>
<td>56152</td>
<td>Lopez Spreading Grounds Upgrade</td>
<td>1,532</td>
<td>50 years</td>
</tr>
</tbody>
</table>

$49,709

Approval moved by Commissioner Noonan.

Seconded by Commissioner Moss and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;
Noes, None.

ITEM NO. 29 – Authorizes payment of premiums in an amount not to exceed $635,000 to Wells Fargo Insurance Services, for the Linden Ranch and Pine Tree Master Wind Farms All Risk Property Insurance for the 2013-2014 policy year. Submitted by Chief Financial Officer.

RESOLUTION NO. 014 048

WHEREAS, the Los Angeles Department of Water and Power (LADWP) owns and operates the Pine Tree Wind Farm, and

WHEREAS, the LADWP has a 100 percent interest in the Linden Ranch Wind Farm through the Southern California Public Power Authority (SCPPA). And

WHEREAS, SCPPA is required under contract to procure and maintain an All Risk Property Insurance program for the Linden Ranch facility, and
WHEREAS, Wells Fargo Insurance Services, the LADWP’s Property Insurance broker, has obtained pricing for the Master All Risk Property Insurance protecting both wind farms and the new solar installation at Pine Tree with policy limits of $400,000,000. The deductible is $250,000 per occurrence for wind operations and $50,000 per occurrence for the solar operation. The premium is estimated at an amount not to exceed $635,000 including taxes and fees.

NOW, THEREFORE, BE IT RESOLVED that this Board authorizes the payment of the premium for the All Risk Property Insurance and authorizes Wells Fargo Insurance Services to bind this insurance, and authorizes it to deliver binders, certificates and policies of such insurance to LADWP; and

BE IT FURTHER RESOLVED that the Chief Accounting Employee, upon proper certification of such delivery, is authorized to draw and authenticate a demand on the Power Revenue Fund payable to Wells Fargo Insurance Services for payment of the Master All Risk Property Insurance policy for the 2013-2014 policy year in a sum not to exceed $635,000 including taxes and fees.

Approval moved by Commissioner Moss.

Seconded by Commissioner Parfrey and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.

The following items were presented by the Secretary and ordered filed.

ITEM NO. 30A – Monthly report of activities for the following:

1. Power System (July 2013)
2. Water System (July 2013)
3. Systems Support Division (June 2013)

ITEM NO. 30B – Monthly report of activities for the following:

1. Drinking Water Public Health Goals Report (July 2013)
2. Investment Report Quarter Ending March 31, 2013

ITEM NO. 31A – A report was given by Management concerning matters relating to Department operations, as follows:


City Attorney, Mike Feuer thanked Commissioners for their time on the Board.

ITEM NO. 31B – A report was given by Management concerning matters relating to Department operations, as follows:

B. Semi-Annual Report on Los Angeles Department of Water and Power Energy Efficiency Programs (Presentation was given by David Jacot, Director of Energy Efficiency)
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., Inyo County Superior Court Case No. SI CV PT 1254188, pursuant to Section 54956.9 (d)(1) of the California Government Code.

3. Ayala Boring, Inc. v. Department of Water and Power of the City of Los Angeles, a public entity; W.A. Rasic Construction Company, Inc., a corporation; Safeco Insurance Company of America, a surety; and Does 1 through 100, inclusive, Los Angeles Superior Court Case No. BC 468667, pursuant to Section 54956.9 (d)(1) of the California Government Code.

4. Carlos Morales-Barcenas v. Los Angeles Department of Water and Power, Los Angeles Superior Court Case No. BC494985, pursuant to Section 54956.9(d)(1) of the California Government Code.


B. Anticipated litigation in the following matters:

1. LADWP Claim File No. 1030459, pursuant to Subdivision (d)(2) of Section 54956.9 of the California Government Code.

2. LADWP Claim File No. 1030458 Sub. 3, pursuant to Subdivision (d)(2) of Section 54956.9 of the California Government Code.

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

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

C. Conference with Labor Negotiators:

1. 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

D. Real Estate Matter:

1. Pursuant to Government Code Section 54956.8, the Board will meet in closed session for a conference with Real Property Negotiators concerning the price and terms of the Lease of Real Property at 525 and 537 South Hewitt Street, and 516 and 542 Colyton Street, Los Angeles, California by the LADWP to La
Kretz Innovation Campus, a nonprofit public benefit corporation and the Lease of such real property plus additional improvements to be made thereon back to LADWP. **LADWP Real Property Negotiators:** Ronald Nichols, Beth Jines and Philip Leiber. **Negotiating Parties:** La Kretz Innovation Campus, a California nonprofit corporation

**MEETING RECESSCED** at 4:42 p.m.

**MEETING RECONVENED** at 4:48 p.m.
Los Angeles, California, August 27, 2013

MINUTES OF CLOSED SESSION OF THE BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES HELD IN ROOM 1555 AUGUST 27, 2013 4:48 P.M.

Meeting called to order by President Thomas Sayles and roll called:

Present – Commissioners: President Sayles
Richard Moss
Jonathan Parfrey
Christina E. Noonan

Absent --
Eric Holoman

A quorum present.

IN ATTENDANCE were the following:

Ronald O. Nichols, General Manager
Joseph Brajevich, Assistant General Counsel, Water and Power
James B. McDaniel, Senior Assistant General Manager – Water System
Susana Reyes, Manager of Workers' Compensation and Employee Health and Benefits
Eric Rosenblatt, Deputy City Attorney
Eskel H. Solomon, Assistant City Attorney
Stephan Tucker, Managing Water Utility Engineer

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

Existing litigation in the following matter:

ITEM NO. 32A(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.

Deferred.

Existing litigation in the following matter:

ITEM NO. 32A(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., Inyo County Superior Court Case No. SI CV PT 1254188, pursuant to Section 54956.9 (d)(1) of the California Government Code.

Deferred.
ITEM NO. 32C – 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

Deferred.

ITEM NO. 32B(1) – LADWP Claim File No. 1030459, pursuant to Subdivision (d)(2) of Section 54956.9 of the California Government Code.

Withdrawn.

ITEM NO. 32B(3) – Discussion regarding significant exposure to litigation (2 cases), pursuant to Section 54956.9 (d)(2) of the California Government Code.

Withdrawn.

ITEM NO. 32B(4) Discussion regarding initiation of litigation (2 cases), pursuant to Section 54956.9 (d)(4) of the California Government Code.

Withdrawn.

ITEM NO. 32A(4) – Carlos Morales-Barcenas v. Los Angeles Department of Water and Power, Los Angeles Superior Court Case No. BC494985, pursuant to Section 54956.9(d)(1) of the California Government Code.

Discussion held – action taken – Resolution adopted.

Commissioner Moss moved adoption of the following resolution, approved as to form and legality by the City Attorney:

Authorizes payment of $200,000.00 payable to “Plaintiff Carlos Morales and Steven A. Lerman and Associates, Inc.,” and $1,930.00 payable to “Steven A. Lerman and Associates, Inc.” are in full compromise and complete settlement of case entitled Carlos Morales-Barcenas, aka Carlos Morales vs. City of Los Angeles, LASC Case No. BC494985.

RESOLUTION NO. 014 049

BE IT RESOLVED by the Board of Water and Power Commissioners of the City of Los Angeles that the Chief Accounting Employee be, and is hereby authorized and directed, upon proper certification, to authenticate and deliver to the City Attorney a demand on the Water Revenue Fund in the total sum of $201,930.00, payable as follows:
SPECIAL MEETING OF COMMISSIONERS (Continued)
AUGUST 27, 2013, 1:48 P.M. Page 36

1. $200,000.00 paid to "Plaintiff Carlos Morales and Steven A. Lennan and Associates, Inc.", and

2. $1,930.00 paid to "Steven A. Lennan and Associates, Inc."

The above-indicated settlement payments are in full compromise and complete settlement of CARLOS MORALES-BARCENAS, AKA CARLOS MORALES VS. CITY OF LOS ANGELES, LASC CASE NO. BC494985, which arose from a Water System incident that occurred on July 25, 2011, involving a personal injury incident at or near 2050 Long Beach Avenue, in Los Angeles, California. The City Attorney is hereby authorized to deliver said demand to Plaintiff's attorney upon the receipt of a properly executed Request for Dismissal and Full Release of All Claims.

Seconded by Commissioner Noonan and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.

Anticipated litigation in the following matters:

ITEM NO. 32B(2) - LADWP Claim File No. 1030458 Sub. 3, pursuant to Subdivision (d)(2) of Section 54956.9 of the California Government Code.

Discussion held – action taken.

Commissioner Moss moved adoption of the following resolution, approved as to form and legality by the City Attorney:

Authorizes payment of $70,000 payable to "Wells Fargo, N.A.", said payment is in full compromise and complete settlement of LADWP Claim Number 1030458, Sub 3.

RESOLUTION NO. 014 050

BE IT RESOLVED by the Board of Water and Power Commissioners of the City of Los Angeles that the Chief Accounting Employee be, and is hereby authorized and directed, upon proper certification, to authenticate and deliver to the City Attorney a demand on the Water Revenue Fund in the amount of $70,000, payable to "Wells Fargo, N.A." Said payment is in full compromise and complete settlement of LADWP Claim Number 1030458, Sub 3, which arose out of an LADWP water main break on December 10, 2011, at 1244 East 8th Street, Los Angeles, CA. The City Attorney is hereby authorized to deliver said draft to Wells Fargo and/or their counsel upon receipt of a properly executed Full Release of All Claims and request for Dismissal.

Seconded by Commissioner Parfrey and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.

Existing litigation in the following matters:


Discussion held – action take but not a final action that is reportable – Resolution adopted on 9/18/13.
Commissioner Moss moved adoption of the following resolution, approved as to form and legality by the City Attorney:

Authorizes in the amount of $250,000.00 payable in a lump sum benefit amount upon approval of the WCAB. Claim of case entitled Vincent Martinez vs. Los Angeles Department of Water and Power – Workers’ Compensation Appeals Board (WCAB).

RESOLUTION NO. 014 052

WHEREAS, the Los Angeles Department of Water and Power (LADWP) is self-insured for its Workers’ Compensation liability; and

WHEREAS, the Workers’ Compensation Office recommends to settle the Workers’ Compensation claim of Vincent Martinez, deceased employee of LADWP.

WHEREAS, the claim arose resulting from the fatal injury to Vincent Martinez during the course and scope of his employment as a Gardener Caretaker.

NOW, THEREFORE, BE IT RESOLVED by the Board of Water and Power Commissioners authorizing the full settlement of the Workers’ Compensation case entitled Vicent Martinez vs. Los Angeles Department of Water and Power -Workers’ Compensation Claim No. 2013-0595, Workers’ Compensation Appeals Board (WCAB) Case No. To be assigned.

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 the amount of $250,000.00 payable in a lump sum benefit amount upon approval of the WCAB.

Seconded by Commissioner Parfrey and carried by the following vote:

Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;

Noes, None.

ITEM NO. 32A(3) – Ayala Boring, Inc. v. Department of Water and Power of the City of Los Angeles, a public entity; W.A. Rasic Construction Company, Inc., a corporation; Safeco Insurance Company of America, a surety; and Does 1 through 100, inclusive, Los Angeles Superior Court Case No. BC 468667, pursuant to Section 54956.9 (d)(1) of the California Government Code.

Discussion held – action take but not a final action that is reportable – Adopted on 9/10/13.

Commissioner Moss moved adoption of the following resolution, approved as to form and legality by the City Attorney:

Authorizes payment of $50,000.00 payable to W.A. Rasic Construction Company to be paid by W.A. Rasic to Ayala Boring, Inc., in full compromise and complete settlement of case entitled Ayala Boring, Inc. v. Los Angeles Department of Water and Power, et al., LASC Case No. BC468667.

RESOLUTION NO. 014 051

BE IT RESOLVED by the Board of Water and Power Commissioners of the City of Los Angeles that the Chief Accounting Employee be, and is hereby, authorized and directed, upon proper certification, to authenticate and deliver to the City Attorney a demand on the Water Revenue Fund in the sum of $50,000 to be paid as follows: a draft in the amount of $50,000 payable to
W. A. Rasic Construction Company to be paid by W. A. Rasic to Ayala Boring, Inc. Said payment is in full compromise and complete settlement of any and all direct claims against the LADWP by Ayala Boring, Inc., and any such claims as may be passed through by W. A. Rasic on Ayala's behalf, relating to or arising from the City Trunk Line South Unit 2 Project. The City Attorney is hereby authorized to deliver said draft to W. A. Rasic Construction Company, upon receipt of a properly executed Settlement Agreement and Mutual Release.

Seconded by Commissioner Parfrey and carried by the following vote:
Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;
Noes, None.

COMMISSIONER PARFREY moved the meeting be adjourned.
Seconded by Commissioner Noonan and carried by the following vote:
Ayes, Commissioners Moss, Noonan, Parfrey, President Sayles;
Noes, None.

MEETING ADJOURNED at 5:12 p.m.

An announcement was made in the Board Room regarding adoption of two resolutions, one pertaining to the settlement of Los Angeles Superior Court Case No. BC494985 and one pertaining to the settlement of LADWP Claim File No. 1030458 Sub 3.

SIGNED:

SECRETARY

ATTEST:

PRESIDENT