

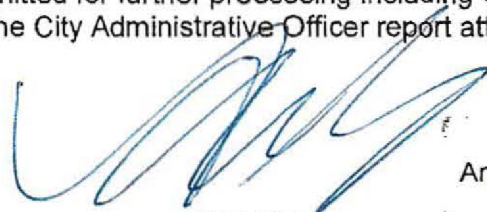
0150-09642-0004

TRANSMITTAL

TO David H. Wright, General Manager Department of Water and Power	DATE MAR 15 2018	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

**AMENDMENT 1 TO A MEMORANDUM OF UNDERSTANDING WITH THE
WATER RESEARCH FOUNDATION**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.



Ana Guerrero

MAYOR

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 14, 2018

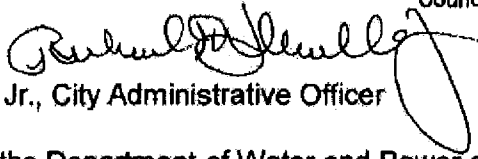
CAO File No.: 0150-09642-0004

Council File No.:

Council District: NA

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: Communication from the Department of Water and Power dated January 25, 2018

Subject: **AMENDMENT 1 TO A MEMORANDUM OF UNDERSTANDING WITH THE WATER RESEARCH FOUNDATION**

RECOMMENDATIONS

That the Mayor:

1. Approve a proposed resolution authorizing Amendment 1 to a Memorandum of Understanding between the Department of Water and Power and the Water Research Foundation to (i) extend the term by four years and (ii) increase the expenditure authority by \$4,000,000; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

SUMMARY

Approval of the proposed resolution enables the Department of Water and Power (DWP) to continue a subscription and participation in scientific research by the Water Research Foundation (WRF) related to drinking water quality, water treatment, and utility infrastructure. The science and research provided by WRF is considered essential for water utilities and public health agencies to provide safe and affordable drinking water. DWP has been a charter member of the WRF since the founding of WRF in 1987. WRF has 863 members in the United States and 980 members internationally.

As proposed, Amendment 1 to the Memorandum of Understanding (MOU) with WRF will extend the subscription term and increase the expenditure authority. The following chart summarizes the current MOU and the proposed Amendment 1.

WATER RESEARCH FOUNDATION			
	TERM	EFFECTIVE DATES	AMOUNT
Current MOU	3 years	01/01/16 – 12/31/18	\$1,740,000
Proposed Amendment 1	4 years	01/01/19 – 12/31/22	\$4,000,000
TOTAL	7 years	01/01/16 – 12/31/22	\$5,740,000

DWP states the annual costs are forecasted to be \$300,000 for subscription fees and \$700,000 for special studies. The annual cost of the subscription fee is calculated based on the net volume of water sold and delivered by DWP. Special studies are performed on an as-needed basis at the request of DWP. The total cost during the proposed four year term is \$1,200,000 for subscription fees and \$2,800,000 for special studies.

The annual cost of this proposed Amendment 1 increased compared to prior years due to: (i) a new subscription fee formula that includes population served, (ii) increased water deliveries from the Los Angeles Aqueduct, and (iii) increased special studies to meet water system needs.

Council approval is required pursuant to Charter Section 373 and Los Angeles City Administrative Code Section 10.5. The time limit for Council action is 60 days or the contract shall be deemed approved. The City Attorney has approved the proposed resolution as to form and legality.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution will result in an impact to Water Revenue Fund. There is no impact on the City's General Fund. This proposal complies with the Department of Water and Power adopted Financial Policies.

RHL:RR:10180072