

**RELICENSING PROCESS AGREEMENT BETWEEN  
CALIFORNIA DEPARTMENT OF WATER RESOURCES AND  
THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES  
FOR THE SOUTH SWP HYDROPOWER PROJECT NO. 2426**

This Relicensing Process Agreement (“Agreement”) is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2013, by and between the California Department of Water Resources (“DWR”) and the Department of Water and Power of the City of Los Angeles (“LADWP”), a department organized and existing under the charter of the City of Los Angeles, a municipal corporation of the State of California (jointly, the “Licensees”).

WHEREAS, in 1978 the Federal Energy Regulatory Commission (“FERC”) issued a license (“License”) for the California Aqueduct Project No. 2426 (the “Project”) to DWR, and to LADWP as Joint Licensee “to the extent of its interest in the Castaic Pump Storage Facility” effective February 1, 1972, for a period of 50 years terminating January 31, 2022. FERC subsequently approved a change in name of the Project to “South SWP Hydropower” Project No. 2426;

WHEREAS, the Project is located on the West and East Branches of the southern portion of the State Water Project, and is described in greater detail in the License, as it has been amended from time to time;

WHEREAS, in order to obtain a new license or licenses for the Project from FERC, Licensees intend to complete relicensing activities prior to the expiration of the current license term;

WHEREAS, under the Federal Power Act (“FPA”), Licensees must notify FERC whether they intend to file an application for a new license at least five years before expiration of the existing license, and must file an application for new license no later than two years before expiration of the existing license;

WHEREAS, Licensees intend to share the costs and management of relicensing the Project, as specified below;

WHEREAS, Licensees desire to coordinate as effectively and efficiently as possible and to present consistent communication to stakeholders and to FERC in supporting a mutually-beneficial outcome to the relicensing process, subject to each Licensee's role and legal obligations per existing agreements and operational requirements;

WHEREAS, Licensees desire to minimize the financial impact of relicensing and future operation on behalf of the ratepayers and customers being served by these facilities while addressing project impacts in an accountable and responsive manner; and

WHEREAS, Licensees desire to coordinate their substantial technical and environmental expertise to produce an efficient and cost-effective relicensing process.

NOW, THEREFORE, it is agreed between the Licensees as follows:

### COST SHARE PROVISIONS

1. Process Costs. "Process Costs" are the costs to obtain a new license or licenses from FERC and all related permits, regulatory approvals, and third party agreements and include both Internal Costs and Common Costs, as defined below. Process Costs do not include the costs associated with the Contract for Cooperative Development of September 1966, as amended, or costs associated with implementing a new license or agreements required by or related to a new license.
  - 1.1 Internal Costs. "Internal Costs" are those Process Costs incurred for internal relicensing activities. "Internal relicensing activities" include, but are not limited to, staff time and associated costs, administrative support and legal activities. Except as provided in Section 4, Licensees are solely responsible for paying their own Internal Costs.
  - 1.2 Common Costs. "Common Costs" are Process Costs that must be mutually agreed to in writing, in advance of either Licensee contracting for such cost, and in any event, prior to performance of such activities. These include, but are not limited to: (a) costs of outside consultants, experts, and services for strategic planning, technical analyses, preparation of the pre-application document, preparation of environmental documents, participation in technical working groups and other meetings, study plan development and implementation, preparation of study reports and other FERC filings jointly submitted by the Licensees in support of the relicensing process, preparation of the license application, post-application document preparation and analyses; and (b) out-of-pocket costs, such as costs incurred for public meetings and vendor services.
2. Equal Sharing of Common Costs. Licensees will equally share the Common Costs of all relicensing activities for the West Branch facilities. The West Branch facilities are generally comprised of Quail Dam and Lake and Lower Quail Canal, Peace Valley Pipeline, the Warne Powerplant, Pyramid Dam and Lake, Angeles Tunnel and surge chamber, Castaic Powerplant, the Elderberry Dam and Forebay, and associated licensed transmission lines and other appurtenances.
3. East Branch Costs. Process Costs for the East Branch facilities are not Common Costs and will be the sole responsibility of DWR. The East Branch facilities are generally comprised of the Alamo Powerplant, Mojave Siphon Powerplant, Cedar Springs Dam and Silverwood Lake, Devil Canyon Powerplant and Afterbays, and associated licensed transmission lines and other appurtenances.
4. Licensee Performance of Common Cost Activities. Licensees may agree that one of them has subject-matter expertise and available resources to carry out a

Common Costs relicensing activity. In situations where one of the Licensees is performing that activity, the Internal Costs associated with such activity may, by mutual written agreement, be classified as Common Costs, in which case the billing and invoices for the work will be subject to audit as specified in this Agreement. The billing Licensee shall bill per work order and said work orders will be included in Statements of Costs and invoices and paid pursuant to Section 16 under this Agreement.

5. Reservation of Right to Hire Own Experts. Nothing in this Agreement shall prevent either Licensee from hiring its own outside consultants or experts, at its own expense.
6. Allocation of Common Costs. Common Costs incurred by Licensees shall be reported monthly. On a quarterly basis, Licensees will calculate the equal share owed by each Licensee and determine the amount, if any, incurred by a Licensee in excess of the equal apportionment. Payments will be made pursuant to Section 16.
7. Exchange of Information, Data and Work Product. Licensees will share all information, data, and work product with each other as necessary for the completion of all pre-application, application, and post-filing activities during the term of this Agreement. Both Licensees shall treat such information as proprietary information and make the same efforts to keep and protect the information as it would its own proprietary information. The obligation to share information does not apply to any information, data, or work product obtained under Section 5 unless such information is subject to mandatory release under the California Public Records Act. Notwithstanding this section, Licensees remain bound by the Joint Prosecution, Joint Defense, and Common Interest Agreement between California Department of Water Resources and the City of Los Angeles acting by and through the Department of Water and Power Agreement of 2011 (JPJD 2011), attached hereto and made a part of this Agreement as Exhibit A, that may be amended from time to time.

## MANAGEMENT PROVISIONS

8. Executive Committee.
  - 8.1 Formation of Executive Committee. Under this Agreement, an Executive Committee is established and shall be comprised of one Authorized Representative from each Licensee to provide oversight of activities that require consensus decision making during the relicensing process. The Authorized Representative from DWR shall be the Hydropower License Planning and Compliance Office Chief or his/her designee. The Authorized Representative from LADWP shall consist of a manager at the Executive Management level or his/her designee.

8.2 Designation of Authorized Representative. Each Licensee, within thirty (30) calendar days after the Effective Date of this Agreement, shall appoint and designate its Authorized Representative. Notice of such appointments and designations shall be made pursuant to Section 30.

8.3 Scope and Authority.

8.3.1 Each Authorized Representative shall be authorized and empowered by his/her governing authority (or authorities) to carry out the provisions of this Agreement on behalf of and for the benefit of said Licensee, and to provide liaison between the Licensees, subject to the limitation of the maximum expenditures as approved by his/her governing authority (or authorities).

8.3.2 The Authorized Representatives shall have no authority to alter, amend, modify or delete any of the provisions of this Agreement.

8.4 Duties and Responsibilities. The Executive Committee shall have the following duties and responsibilities, among others:

8.4.1 Each Authorized Representative shall oversee the relicensing activities for which the Licensee is responsible, oversee development of and approve the annual Common Cost budget, and choose a Project Manager.

8.4.2 Each Authorized Representative shall have the authority to enter into contracts within the scope of this Agreement.

8.4.3 Unless both Authorized Representatives mutually agree otherwise the Executive Committee shall have at least one standing meeting a month, with the Project Managers to discuss the progress of the relicensing. The Executive Committee shall establish a protocol for regularly scheduled meetings and conference calls, which may change in frequency over time, for the purposes of:

8.4.3.1 Informing each other of the status of work and activities;

8.4.3.2 Discussing overall schedule, progress towards meeting relicensing milestones, and any impediments to meeting the schedule;

8.4.3.3 Discussing key issues or relicensing strategy matters; and

8.4.3.4 Any other matters that require mutual decision making or agreement.

9. Project Managers.

- 9.1 Appointment. There shall be at least two Project Managers, one representing DWR and one representing LADWP, each selected by the respective Licensee's Authorized Representative. The Licensees may mutually agree to have more than two Project Managers. DWR may select a different Project Manager for the East Branch at its discretion.
- 9.2 Notice of Change of Project Manager. Each Licensee shall have the right to replace its respective Project Manager with prior Notice to the other Licensee pursuant to Section 30.
- 9.3 Duties and Responsibilities. The Project Managers' duties and responsibilities in the relicensing process under this Agreement shall include, but are not limited to, the following: (a) manage the relicensing process, budget, and activities necessary to obtain an acceptable new license or licenses for the Project; (b) oversee their respective technical staffs and outside consultants; (c) coordinate with one another to ensure timely completion of relicensing activities and meeting relicensing deadlines; and (d) provide monthly progress report on his/her areas of sole or lead responsibility to each other and to the Executive Committee.
- 9.3.1 DWR's Project Manager will be the sole manager of relicensing activities specific to the East Branch Facilities, and lead manager of relicensing activities specific to: (a) Quail Dam and Lake, (b) Lower Quail Canal, (c) Peace Valley Pipeline, and (d) Warne Powerplant and associated licensed transmission lines and other appurtenances.
- 9.3.2 LADWP's Project Manager will be the lead manager for relicensing activities specific to: (a) Angeles Tunnel and surge chamber, (b) Castaic Powerplant and associated licensed transmission lines and other appurtenances, and (c) Elderberry Dam and Forebay.
- 9.3.3 The Project Managers will jointly manage relicensing activities specific to Pyramid Dam and Lake. LADWP will be the lead for relicensing activities specific to LADWP's pumped-storage operation and DWR will be the lead for all other relicensing activities relating to Pyramid Dam and Lake.

10. Consultants.

- 10.1 Lead Consultant. The Authorized Representatives will retain an experienced relicensing consulting firm to serve as Lead Consultant and implement the day-to-day activities of the relicensing process. Project Managers shall develop the scope of work and budget for the Lead Consultant consistent with their joint responsibilities under this Agreement.

DWR will act as contract manager and will administer the Lead Consultant agreement. LADWP will be on the selection committee.

- 10.2 Duties of Lead Consultant. The Project Managers will work directly with the Lead Consultant designated by the lead consulting firm to create a strategy, plan, budget and timeline for the relicensing. Any such strategy, plan, budget, or timeline shall be subject to the approval of the Executive Committee. The Project Managers will work together with the Lead Consultant of each Licensee to carry out the relicensing activities.
  - 10.3 Consultant Team. The Lead Consultant may propose to use sub-consultants and the Project Manager(s) may request to use additional consultants or internal resources pursuant to Section 4 to carry out particular relicensing activities. These additional members of the consulting team shall be subject to approval by the Executive Committee.
  - 10.4 East Branch. If DWR elects to pursue a separate license for the East Branch facilities it may retain a different lead consultant for the East Branch, at its discretion.
11. Joint Coordination and Decision-Making.
- 11.1 Agreement to Coordinate. Each Licensee owning a facility shall, to the extent practicable while still meeting its operational needs, afford the other Licensee the opportunity, with regard to all facilities as identified in the License, as amended from time to time, to:
    - 11.1.1 Be briefed on and provide input to developing strategies, recommendations, studies, and decisions regarding those facilities.
    - 11.1.2 Provide comments and input regarding such facilities and the facility-owning Licensee shall in good faith consider such comments and input.
    - 11.1.3 Review and, where appropriate, comment on study plans, preliminary and final studies, and other documents relating to such facilities.
  - 11.2 Coordination Subject to Legal Authority of Licensee. DWR and/or LADWP's accommodation of the other Licensee's request to adopt strategies regarding owned facilities as part of the relicensing process shall be subject to each Licensee's legal authority to accommodate such requests.
  - 11.3 Decision Making. Each Licensee will have timely decision-making authority over any relicensing process activity that specifically addresses its owned facilities, including operation thereof. Decisions on relicensing process

activities not dependent upon assignment to specific facilities and operation shall be made by consensus and each Licensee shall attempt to resolve any differences in strategy or approach quickly and at the lowest level of authority possible.

- 11.4 License Implementation Activities. Licensees agree to work together on developing a strategy and assigning responsibilities for the new license activities as information becomes available including but not limited to reviewing and potentially amending the existing Cooperative Agreement. Licensees agree that a final, written agreement on such costs and responsibilities shall be in place no later than 90 days following issuance of the new FERC license, or at any other time as mutually agreed by the Licensees.

## GENERAL PROVISIONS

12. Effective Date. This Agreement shall become effective on the last date when both Licensees acquired the approval of the appropriate governing authority (authorities) and such Agreement is signed by representatives of both Licensees with authority to execute this Agreement.
13. Entire Agreement. This Agreement along with all the referenced agreements attached hereto and made a part hereof contains the complete and exclusive agreement between the Licensees with respect to the subject matter thereof.
14. Term. This Agreement shall be in force from January 1, 2014 or the date of last approval per Section 12, which ever comes last until FERC issues a final order, no longer appealable or no longer under appeal, on the Licensees' application(s) for new license(s) for the Project unless terminated earlier pursuant to Section 21.
15. Definition of Day. In this Agreement "day" means a calendar day.
16. Billing Eligible Costs.
- 16.1 Statements of Costs and Invoices. Within sixty (60) days after the end of each applicable calendar quarter or such longer period of time as may be agreed to by the Licensees, each Licensee shall submit to the other Licensee a detailed statement which includes to the maximum extent practicable, the Common Costs of relicensing activities ("**Eligible Costs**") incurred by it during such calendar quarter. Each Licensee shall be entitled to such additional information in support of each such statement as it may reasonably request from the other Licensee. To the extent that Eligible Costs are not included by a Licensee in its statement for the time period covered by such statement, it shall include such costs in the first statement it issues after it becomes practicable to include such costs, identifying the period in which such costs were incurred.

- 16.2 Payment of Eligible Costs. Within forty-five (45) days of receipt of an invoice as provided in Section 16.1 or such longer period of time as may be agreed to by the Licensees, each Licensee shall: (a) pay the other Licensee its share of any unpaid and undisputed portion of Eligible Costs incurred by the other Licensee; and (b) provide Notice of any dispute regarding the statement of costs, including whether costs were properly considered Eligible Costs. In the event that an invoice is disputed, the Licensees shall resolve the dispute as provided in Section 31. Payment of the disputed amount shall not be required until the dispute is resolved. The Licensees agree to use good faith efforts to resolve the dispute as soon as possible. Upon resolution of the dispute, any required payment shall be made within forty-five (45) days of such resolution. Overpayments shall be returned upon request or deducted by the Licensee receiving such overpayment from subsequent payments. Licensees may agree to methods of payment that do not require a paper check.
- 16.3 Review Turnaround Time. Each Licensee shall complete review and approval of any invoice to be paid by the other Licensee for Common Costs attributable to outside consultants, experts, or services within 10 days of receipt.
- 16.4 Invoicing and Payments.

Invoices for LADWP shall be submitted to:

FERC P-2426 Relicensing Project Manager  
Los Angeles Department of Water and Power  
111 North Hope Street, Room 921  
Los Angeles, CA 90012

Invoices for DWR shall be submitted to:

FERC P-2426 Relicensing Project Manager  
Hydropower License Planning and Compliance Office  
Department of Water Resources  
P.O. Box 942836  
Sacramento, CA 94236-0001

Payments to LADWP shall be submitted to:

Department of Water and Power  
Cost and Project Accounting, Room 450  
P.O. Box 51212  
Los Angeles, CA 90051-5512  
Re: P-2426 relicensing agreement



Payments to DWR shall be submitted to:

Department of Water Resources  
Attention: Cash Receipts  
Division of Fiscal Services  
1416 Ninth Street, Room 849  
Sacramento, CA 95814

17. Audit. Both Licensees agree that either Licensee or the designated representative of either Licensee shall have the right to review and to copy any financial records and supporting documentation pertaining to those matters in which the reviewing Licensee has a financial interest. Both Licensees agree to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated or required by law. Both Licensees agree to allow the auditor(s) access to such financial records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, both Licensees agree to include a similar right of either Licensee to audit financial records and interview staff in any consulting contracts and/or subcontracts related to performance of this Agreement to which the auditing Licensee has a financial interest. Nothing in this Agreement is intended to diminish or otherwise affect the authority of either Licensee or any third party to implement its respective statutory functions.
18. Amendment. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the Licensees and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on either of the Licensees.
19. Non-Severability. The terms of this Agreement are not severable one from the other. This Agreement is made on the understanding that each term is in consideration and support of every other term, and each term is a necessary part of the entire Agreement. If a court of competent jurisdiction rules that any provision in this Agreement is invalid, this Agreement will be deemed modified to conform to such ruling, unless either Licensee objects. If one or both Licensees object, the Licensees agree to confer on possible amendments to the Agreement that would allow the Agreement to continue in force. If the Licensees cannot agree on an appropriate amendment, the Agreement shall terminate.
20. No Third Party Beneficiaries. Without limiting the applicability of rights granted to the public pursuant to applicable law, this Agreement shall not create any right or interest in the public, or any member thereof, as a third party beneficiary hereof, and shall not authorize any non-party to maintain a suit at law or equity pursuant to this Agreement. The duties, obligations and responsibilities of the Licensees with respect to third parties shall remain as imposed under applicable law.

21. Termination. Notwithstanding Section 14, this Agreement may terminate upon either of the following:
  - 21.1 Mutual agreement of the Licensees in writing with original signature; or
  - 21.2 Notice in writing with original signature by a Licensee to the other Licensee of its intent to terminate; such notice shall be provided no later than 18 months prior to January 31, 2017, the statutory deadline for filing the Notice of Intent to relicense P-2426 with FERC.
22. Obligations Surviving Termination. In the event of termination, unless otherwise mutually agreed, each Licensee shall remain obligated to the other Licensee for the share of all Common Costs for studies and other relicensing activities and tasks incurred to date of termination. Termination or expiration of this Agreement, or any other agreements made a part hereof, for any reason shall not relieve either Licensee of its obligations in Section 7.
23. Successors and Assigns. This Agreement, and all its provisions and amendments, shall be binding on and inure to the benefit of the Licensees and their approved assigns.
24. Assignment. No assignment or transfer of this Agreement or any part hereof, rights hereunder, or interest herein by either Licensee shall be valid unless and until it is approved by the other Licensee and made subject to reasonable terms and conditions as such other Licensee may impose, which approval shall not be unreasonably withheld. Such approval must be in writing. No assignment or transfer of this Agreement or any part hereof, rights hereunder, or interest herein by either Licensee shall be valid except as such assignment or transfer is made pursuant to and in conformity with applicable law.
25. Succession. In the event of succession of either Licensee, whether by statute, executive order, or operation of law, the successor entity shall become a party to and be bound by the terms of this Agreement, to the extent permitted by law.
26. Legal Authority. Nothing in this agreement is intended to override existing legal authorities and obligations, and in no event shall either Licensee be required to act contrary to its own legal authority.
27. Uncontrollable Forces. Neither Licensee shall be considered to be in default in respect to any obligation hereunder, if prevented from fulfilling such obligation by reason of uncontrollable force. For the purpose of this Agreement the term "uncontrollable force" means any cause beyond the control of the Licensee affected, including but not limited to, flood, earthquake, storm, landslides, fire, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, and restraint by court or other public authority. Either Licensee rendered unable to fulfill any obligation by reason of an uncontrollable force shall exercise due diligence to

remove such inability with all reasonable dispatch and keep the other Licensee fully informed of changes in conditions as far in advance as possible.

28. Indemnification. LADWP shall indemnify and hold DWR harmless from any liability or claim of liability for damages or injury to any person or property solely and proximately caused by any negligent or wrongful act of omission of LADWP, its agents, servants, representatives, and employees occurring in the performance of this Agreement, or harm caused by failure to meet a FERC or other regulatory deadline. DWR shall indemnify and hold LADWP harmless from any liability or claim of liability for damages or injury to any person or property solely and proximately caused by any negligent or wrongful act of omission of DWR, its agents, servants, representatives, and employees occurring in the performance of this Agreement, or harm caused by failure to meet a FERC or other regulatory deadline.
  
29. Step-In Remedy. If a Licensee fails to perform its duties in a timely manner such that a FERC-imposed or other regulatory deadline will be missed, the other Licensee may perform those duties to avoid missing such deadline and shall be reimbursed by the other Licensee for expenses incurred in performing those duties pursuant to the Cost Share provisions in this Agreement. Before performing any duties under this section, the performing Licensee must provide at least 30-days notice pursuant to Section 30 and provide an opportunity to the non-performing Licensee to cure its non-performance.
  
30. Notice. Any notice required under this Agreement shall be in writing and shall be delivered in person; or with proof of receipt by a nationally recognized delivery service or by United States Certified Mail; or electronically. Notices are effective when received. Electronic notifications will be deemed received when the recipient confirms such receipt or 3 business days after the electronic notification has been provided, whichever comes first. Notwithstanding the forgoing, notice required under Sections 21 and 29 may not be submitted electronically and must have an original signature. The designated person for receipt of notice for each Licensee shall be the Authorized Representative designated in Section 8.2:

For DWR: Chief, Hydropower License Planning and Compliance Office  
California Department of Water Resources  
P.O. Box 948236  
Sacramento, CA 94236-0001

For LADWP: Department of Water and Power  
Director of Power System Planning and Development  
111 North Hope Street, Room 921  
Los Angeles, CA 90012  
Re: P-2426 Relicensing Agreement

31. Dispute Resolution. If a dispute arises out of this Agreement, the Licensees will negotiate in good faith to resolve the dispute. Prior to declaring an impasse, the State Water Project Deputy Director of DWR and the Senior Assistant General Manager for Power System of LADWP shall meet and confer to attempt to resolve the dispute. If the dispute remains unresolved, the Licensees may resort to arbitration, litigation, or some other dispute resolution procedure in accordance with the law.
32. Governing Law. This Agreement shall be governed and construed under the laws of the State of California. Notwithstanding the foregoing, the FPA as amended from time to time shall govern interpretation and meaning where required for FERC-specific references.
33. Elected Officials Not to Benefit. No elected officials shall be entitled to any share or part of this Agreement or to any benefit that may arise from it.
34. Relationship of the Licensees. This Agreement does not form a joint venture or partnership between the Licensees other than, or in addition to, the already existing relationship of the Licensees as described in the original FERC license order for P-2426.
35. No Changes to Existing Contracts and Agreements. This Agreement is entirely separate from and independent of other contracts and agreements between the Licensees. This Agreement does not and will not be deemed to change any rights or obligations under previously executed contracts or agreements between the Licensees.
36. Timeliness. Time is of the essence in this Agreement.
37. Section Titles for Convenience Only. The titles for the Sections of this Agreement are used only for convenience of reference and organization, and shall not be used to modify, explain, or interpret any of the provisions of this Agreement or the intentions of the Licensees. This Agreement has been jointly drafted by the Licensees and therefore shall be construed according to its plain meaning and not for or against either Licensee.

*(Signatures appear on the next page. The rest of this page is intentionally left blank.)*

IN WITNESS THEREOF, the Licensees, through their duly authorized representatives, have caused this Agreement to be executed as of the date set forth in this Agreement.

Approved as to legal form  
and Sufficiency

STATE OF CALIFORNIA

\_\_\_\_\_  
Chief Counsel  
Department of Water Resources

\_\_\_\_\_  
Director  
Department of Water Resources

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Department of Water and Power  
of the City of Los Angeles by  
Board of Water and Power Commissioners  
of the City of Los Angeles

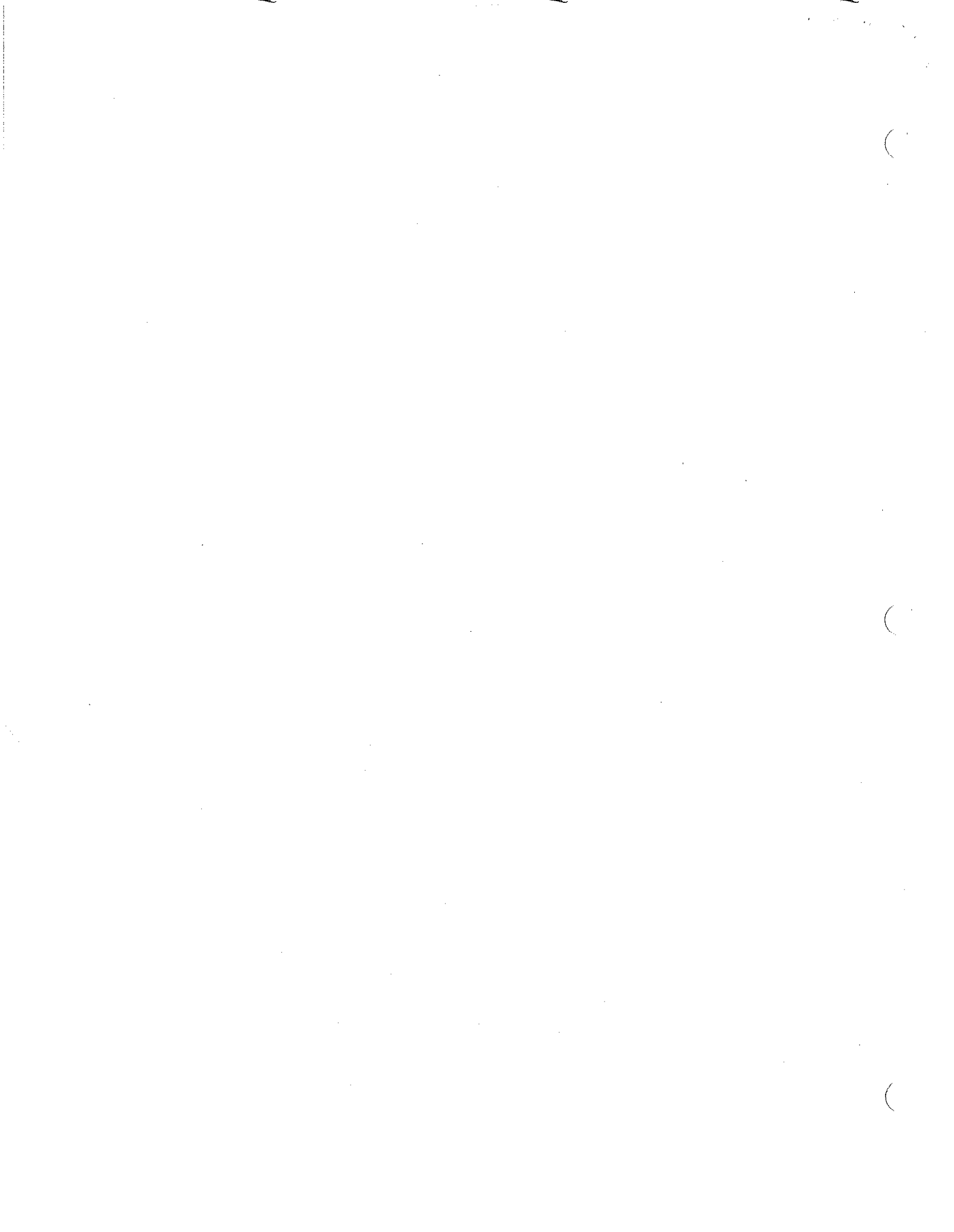
\_\_\_\_\_  
Marcie L. Edwards  
General Manager

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY

MAY 22 2014  
BY SDriscoll  
SYNDI DRISCOLL  
DEPUTY CITY ATTORNEY



Amendment 5  
Contract for Cooperative Development  
West Branch, California Aqueduct

THIS AMENDMENT to the CONTRACT FOR COOPERATIVE DEVELOPMENT, WEST BRANCH, CALIFORNIA AQUEDUCT, as amended ("Agreement") between The Department of Water Resources of the State of California (DWR) and The Department of Water and Power, City of Los Angeles (City), is entered into as of the date signed by both Parties.

RECITALS:

- A. Whereas, the Project Facilities are authorized by License No. 2426 issued by the Federal Energy Regulatory Commission on March 22, 1978, with an effective date of February 1, 1972;
- B. Whereas, License No. 2426 is scheduled to expire on January 31, 2022;
- C. Whereas, pursuant to Article 45 of the Agreement, the Agreement is contingent on securing all required authorization from FERC;
- D. Whereas, the City desires assurances regarding continuation of the Agreement under the full term of the future second FERC license;
- E. Whereas, the Parties believe that the Agreement term should be coterminous with the term of the FERC license;
- F. Whereas, Article 31 of the Agreement provides, on contract renewal, for equal sharing of the Adjusted Total Benefits of certain values, as specified, and that such values shall be mutually agreed upon using sound business principles and engineering practices and judgment;
- G. Whereas, the Parties cannot say with certainty when license No. 2426 will be renewed or the length of time that the renewal will be in effect;

It is agreed:

- 1. Terms used herein and not otherwise defined have the same meaning as in the Agreement.
- 2. Except as expressly amended in this Amendment, all terms and conditions in the Agreement remain unchanged.

3. This Amendment shall become effective as of the date signed by both Parties.

4. Article 11(a) is amended to read as follows:

11. (a) Except as otherwise expressly provided herein, this contract shall become effective as of the date hereof and shall continue in effect until January 1, 2072 or until the expiration of the second FERC license, whichever occurs first.

5. Article 31(e) is added to read as follows:

31. (e) The Parties shall implement the Adjusted Total Benefits described in the Agreement each time any of the following occurs:

- Within 90 days upon the receipt of the final new FERC License;
- As mutually agreed between the Parties; or
- City elects to renew the Agreement as described in Article 31(a).

*(Signatures appear on the next page. The rest of this page is intentionally left blank.)*



Department of Water and Power  
of the City of Los Angeles by  
Board of Water and Power Commissioners  
of the City of Los Angeles

\_\_\_\_\_  
Marcie L. Edwards  
General Manager

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY

MAY 22 2014  
BY SDriscoll  
SYNDI DRISCOLL  
DEPUTY CITY ATTORNEY

Approved as to legal form  
and Sufficiency

\_\_\_\_\_  
Chief Counsel  
Department of Water Resources

Date: \_\_\_\_\_

STATE OF CALIFORNIA

\_\_\_\_\_  
Director  
Department of Water Resources

Date: \_\_\_\_\_

