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CITY ATTORNEY

REPORT NO. R 15 - 0 2 8 1
OCT 2 2 2015

REPORT RE:

**DRAFT ORDINANCE APPROVING THE SYLMAR SERVICES AGREEMENT
BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND THE
CITY OF BURBANK, DWP NO. BP15-027, AND THE SYLMAR SERVICES
AGREEMENT BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND
POWER AND THE CITY OF GLENDALE, DWP NO. BP15-028**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance: (1) approves the Sylmar Services Agreement between Los Angeles Department of Water and Power (LADWP) and the City of Burbank (Burbank), DWP No. BP15-027 (LADWP-Burbank Sylmar Agreement); and (2) approves the Sylmar Services Agreement between LADWP and the City of Glendale (Glendale), DWP No. BP15-028 (LADWP-Glendale Sylmar Agreement).

Background

The purpose of these Agreements is to provide for the rights, terms and conditions for the cities of Burbank and Glendale (collectively, Cities) to schedule capacity and energy across Path 41 between Sylmar Switching Station (Sylmar) and California Independent System Operator (SP-15).

Pursuant to the Pacific Intertie D-C Transmission Facilities Agreements between LADWP and Burbank, Agreement No. 10029, and LADWP and Glendale, Agreement No. 10028, the Cities have bi-directional transmission rights that enable them to schedule capacity and energy from the Nevada-Oregon Border (NOB) to LADWP's Sylmar Switching Station.

Pursuant to the Interchange Agreements between LADWP and Burbank, Agreement No. 10134, and LADWP and Glendale, Agreement No. 10135, the Cities have bi-directional transmission service to schedule capacity and energy from Sylmar to Receiving Station E (for Burbank) and Air Way Receiving Station (for Glendale).

Under these existing agreements the Cities are able to schedule capacity and energy on a continuous path from NOB via Sylmar to RS-E or Air Way. The Cities are not able to schedule capacity and energy between Sylmar and SP-15 where SP-15 connects with LADWP's system through Southern California Edison Company's interconnection with LADWP at Sylmar. The Cities have requested, and LADWP is able to provide, scheduling services for scheduling capacity and energy between Sylmar and SP-15. This service will be used in conjunction with the Cities' existing bilateral agreements with LADWP, and the Agreements will provide for the terms and conditions for such scheduling services.

LADWP's estimated annual revenue that will be collected for each Agreement is approximately \$150,650 per year or approximately \$301,300 for both Agreements.

Charter Requirements

Charter Sections 674(a)(1) provides that, subject to approval by ordinance, the Board of Water and Power Commissioners has the power to approve contracts with the United States, or any of its agencies, any state or any state agency, and any corporation, public or private, located inside or outside of the City or State of California for the construction, ownership, operation and maintenance of facilities for the generation, transformation and transmission of electric energy that provides for a sharing of benefits and of the capital charges and other obligations associated with those facilities.

CEQA Findings

In accordance with Section 15060 (c)(3) of the California Environmental Quality Act (CEQA) Guidelines, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, the agreements authorizing the rights, terms and conditions for Cities to schedule capacity and energy across Path 41 between Sylmar and SP-15 are not actions subject to CEQA.

Council Rule 38 Referral

This draft ordinance has been presented to the Board of Water and Power Commissioners pursuant to Council Rule 38.

If you have any questions regarding this matter, please contact Deputy City Attorney Syndi Driscoll at (213) 367-4363. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON
Chief Assistant City Attorney

DM:SD:pj
Transmittal