

12. RESOLUTION FOR WATER ADJUSTMENT FACTOR EXPENDITURES

This appendix provides the Resolution for Water Adjustment Factor Expenditures.

WHEREAS, the City of Los Angeles (City) is at a crossroads with regard to its water future in light of what may be the "new normal" of prolonged drought and due to its rapidly aging water infrastructure, much of which was installed during the 1920's through 1970's; and

WHEREAS, the City's Department of Water and Power (LADWP) seeks to accelerate its efforts to prudently replace its aging infrastructure to avoid costly and disruptive water main breaks; and

WHEREAS, LADWP seeks to work toward increased water sustainability by reducing the City's dependence upon imported Metropolitan District Water resources and by increasing local groundwater cleanup, stormwater capture, recycled water usage, and water conservation; and

WHEREAS, LADWP has taken steps to mitigate and delay the necessity of rate increases to fund the aforementioned goals, which steps include implementing major cost reduction plans, negotiating a new labor agreement, completing an initial benchmarking study to evaluate LADWP's performance relative to peer utilities, securing lower cost financing, and seeking State of California bond funds; and

WHEREAS, LADWP still finds it necessary to propose adoption of a new water rate ordinance (Proposed Ordinance), which would be effective April 1, 2016, or as soon thereafter as possible, and would replace existing Water Rate Ordinance No. 170435, as amended; and

WHEREAS, the Proposed Ordinance authorizes the recovery of certain qualified Board of Water and Power Commissioners (Board) approved expenditures for the Los Angeles Aqueduct, purchased water, groundwater, recycled water, and water conservation through the Water Supply Cost Adjustment Factor, water quality related costs through the Water Quality Improvement Adjustment Factor, Owens Valley regulatory costs through the Owens Valley Regulatory Adjustment Factor, and water infrastructure costs through the Water Infrastructure Adjustment Factor.


NOW, THEREFORE, BE IT RESOLVED that the Board approves expenditures for the Los Angeles Aqueduct totaling \$60.9 million, purchased water totaling \$176.6 million, groundwater totaling \$50.4 million, recycled water totaling \$9.2 million, water conservation totaling \$21.7 million, water quality totaling \$249.8 million, Owens Valley regulatory costs totaling \$99.5 million, and water infrastructure totaling \$89.4 million for the 12-month period from April 1, 2016, through March 31, 2017, for calculation of the aforementioned adjustment factors.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held DEC 15 2015

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


Secretary

DEC 11 2015

BY 
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DEPUTY CITY ATTORNEY