



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 17 - 0 2 5 0  
JUL 24 2017

**REPORT RE:**

**DRAFT ORDINANCE APPROVING AMENDMENTS TO  
EXISTING AGREEMENTS AND NEW FACILITIES AGREEMENT  
RELATED TO THE LOS ANGELES DEPARTMENT OF WATER  
AND POWER'S NAVAJO PROJECT**

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

Council File No. 17-0799

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 ratifies Amendments No. 1 through No. 5 of the Navajo Project Southern Transmission Operating Agreement, DWP No. 10124 (STS Operating Agreement), and approves Amendments No. 6 and No. 7 of the STS Operating Agreement; Amendments No. 10 and No. 11 of the Navajo Project Co-Tenancy Agreement, DWP No. 10498 (Co-Tenancy Agreement); Amendment No. 5 of the Western Transmission Service Operating Agreement, DWP No. 10125 (WTS Operating Agreement); and the Facilities Agreement, DWP No. BP14-030 (collectively, the Navajo Project Agreements). Additionally, this draft ordinance delegates to the Board of Water and Power Commissioners (Board) limited authority to amend said Navajo Project Agreements.

### Background

The amendments to the existing agreements reflect the physical changes made to the Navajo Project and deal with maintenance, interconnection points and other administrative matters. Additionally, the Facilities Agreement is related to the interconnection of the Los Angeles Department of Water and Power (LADWP) Crystal-Moapa Transmission Line to the Navajo Project.

A detailed explanation of all the Navajo Project Agreements is contained in the Board Letter dated June 19, 2017, which has been transmitted to the City Council.

LADWP also seeks a delegation of authority to its Board to act upon and approve future amendments to the Navajo Project Agreements, provided that such amendments do not increase the costs or extend the term of said agreements.

### Enabling Charter Sections

Charter Section 674(a)(1) provides that, subject to approval by ordinance, the Board shall have the power to contract with the United States or any of its agencies, any state or 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. In addition, pursuant to Charter Section 101, the City Council has the power to authorize the Board to amend the Navajo Project Agreements without further City Council approval.

### CEQA Findings

In accordance with the California Environmental Quality Act (CEQA), it has been determined that amending the Navajo Project Agreements are exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

### Council Rule 38 Referral

Pursuant to Council Rule 38, this draft ordinance has been presented to the Board of Water and Power Commissioners.

If you have any questions regarding this matter, please contact Deputy City Attorney Vaughn Minassian at (213) 367-5297. He or another member of this Office will be present when you consider this matter to answer questions that you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By   
DAVID MICHAELSON  
Chief Assistant City Attorney

DM:VM:ff  
Transmittal