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CITY ATTORNEY

REPORT NO. **R 17 - 0 2 57**
AUG 0 1 2017

REPORT RE:

**DRAFT ORDINANCE APPROVING AGREEMENTS
RELATED TO THE PACIFIC DIRECT CURRENT INTERTIE PROJECT OF THE
LOS ANGELES DEPARTMENT OF WATER AND POWER**

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 provides for the approval of: 1) the Pacific Direct Current Intertie (PDCI) Operating Agreement, BP 14-018, by and between the City of Los Angeles, acting by and through the Department of Water and Power (LADWP), and Bonneville Power Administration (BPA) (Operating Agreement); 2) the Memorandum of Agreement, BP 14-019, by and among LADWP, Southern California Edison Company, a California corporation, the Cities of Burbank, Glendale and Pasadena (collectively referred to as the Southern Owners) and BPA (MOA); and 3) the Amended and Restated Little Lake Communication Site Agreement, LADWP No. 10462, by and among the Southern Owners (Communication Agreement) (collectively referred to as the PDCI Agreements); and the delegation to the Board of Water and Power Commissioners (Board) of limited authority to amend said agreements.

Background

The Operating Agreement establishes the obligations and responsibilities of BPA, the operator of the PDCI from Celilo to the Nevada-Oregon Border, and LADWP, the operator of the PDCI from the Nevada-Oregon Border to Sylmar. The MOA pertains to the ownership structure, the obligations of BPA and the Southern Owners, and certain procedures and administrative matters. The Communication Agreement establishes the terms and conditions for the operation of the communication facilities located near Inyokern, California, known as Little Lake Microwave Relay Station, used in connection with the control and operation of the PDCI.

Enabling Charter Sections

The enclosed draft ordinance approves the PDCI Agreements. It also delegates authority to the Board to act upon and approve future amendments to the PDCI Agreements, provided that the amendments do not increase the costs or extend the term of the agreements.

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 PDCI Agreements without further City Council approval.

CEQA Findings

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the PDCI 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 reasonable 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, and its comments have been incorporated or resolved with LADWP.

If you have any questions regarding this matter, please contact Deputy City Attorney Jean-Claude Bertet at (213) 367-4630. He or another member of this Office will be present when you consider this matter to answer any questions that you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney



By

DAVID MICHAELSON
Chief Assistant City Attorney

DM:JB:ff
Transmittal