

**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 1 8 - 0 0 1 1  
JAN 1 8 2018

**REPORT RE:**

**DRAFT ORDINANCE AUTHORIZING THE APPROVAL OF THE AGREEMENT FOR THE OPERATION, MAINTENANCE, REPLACEMENT, OWNERSHIP AND INTERCONNECTIONS AT MEAD SUBSTATION AMONG THE UNITED STATES DEPARTMENT OF ENERGY'S WESTERN AREA POWER AUTHORITY, NEVADA POWER COMPANY, DOING BUSINESS AS NV ENERGY, THE LOS ANGELES DEPARTMENT OF WATER AND POWER, AND SOUTHERN CALIFORNIA EDISON COMPANY (DWP NO. BP 17-017)**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 N. 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 the Agreement for the Operation, Maintenance, Replacement, Ownership and Interconnections at Mead Substation (Eldorado Mead OM&R Agreement) among the United States Department of Energy's Western Area Power Authority (WAPA), Nevada Power Company, doing business as NV Energy (NVE), the Los Angeles Department of Water and Power (LADWP), and Southern California Edison Company (SCE) (DWP No. BP 17-017); and limited authority to the Board of Water and Power Commissioners to amend the Eldorado Mead OM&R Agreement. The Eldorado Mead OM&R Agreement is related to the Eldorado Transmission System (Eldorado) and is between WAPA as the operator the Intertie Transmission System and owner of Mead

Substation, and the Eldorado co-owners, collectively LADWP, NVE and SCE. This agreement provides for the interconnection at Mead Substation for two 230-kV lines that extend from Eldorado Substation to Mead Substation and are a part of the Eldorado Transmission System. It also provides for the ownership, operation, maintenance and replacement of facilities, use of common facilities, interconnections, financial responsibilities, and sharing of responsibilities at Mead Substation. LADWP's annual cost responsibilities are estimated to be approximately \$79,003 for FY2018. The agreement has a term of 50 years, terminating on September 30, 2067.

### Background

A report to the Board of Water and Power Commissioners, which provides a detailed summary of the background on this matter, has been transmitted separately.

### Summary of Ordinance Provisions

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 such agreements without further City Council approval.

### CEQA Findings

In accordance with Section 15060(c)(2) of the California Environmental Quality Act (CEQA) Guidelines, an activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment. The ownership, operation, maintenance and replacement of facilities, use of common facilities, interconnections, financial responsibilities and sharing of responsibilities at Mead Substation, as described in the Eldorado Mead OM&R Agreement, will not result in any physical change in the environment.

### Council Rule 38 Referral

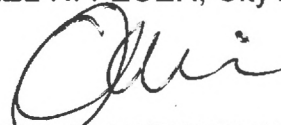
Pursuant to Council Rule 38, the draft ordinance has been presented to the Board of Water and Power Commissioners, and its comments have been incorporated or resolved with LADWP.

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

Very truly yours,

MICHAEL N. FEUER, City Attorney

By



DAVID MICHAELSON  
Chief Assistant City Attorney

DM/VM:ff  
Transmittal