

RESOLUTION NO. 020 130

WHEREAS, the City of Los Angeles (City) possesses extensive adjudicated rights to pump groundwater from the San Fernando Basin (SFB); and

WHEREAS, historical industrial activity has contaminated soil and groundwater in the SFB, and this contamination has impacted and/or threatens to impact the beneficial use of groundwater and has contaminated a large number of the Los Angeles Department of Water and Power's (LADWP) groundwater production wells; and

WHEREAS, the United States Environmental Protection Agency (USEPA) has selected a Second Interim Remedy (2IR) for the North Hollywood Operable Unit to address a portion of the groundwater contamination in the SFB; and

WHEREAS, LADWP has been working and cooperating with the USEPA and potentially responsible parties, such as Honeywell International Inc. (Honeywell), to remediate the contamination in the SFB and restore the beneficial use of groundwater; and

WHEREAS, LADWP executed a settlement agreement with Honeywell (Honeywell Settlement) that requires, among other things, Honeywell to implement key aspects of the 2IR and, pursuant to that agreement, Honeywell is required to cause and pay for the design, construction, operation and maintenance of groundwater remediation facilities, including a state-of-the-art treatment system, that will remediate a key portion of the SFB; and

WHEREAS, pursuant to the Honeywell Settlement, the treatment system will provide LADWP at least 8,500 acre-feet per year (AFY), and potentially up to 15,000 AFY, of treated groundwater for an end use as drinking water until such time as the Remedial Action Outcomes (RAOs) of the 2IR set by USEPA are met; and

WHEREAS, if LADWP had to pay to purchase this volume of water, rather than use treated groundwater from the SFB, the cost would range from \$418 million (for 8,500 AFY) to \$717 million (for 15,000 AFY) over 50 years; and

WHEREAS, the Honeywell Settlement establishes a unique and historic long-term public-private arrangement between the City, Honeywell, and USEPA and, in addition to providing much-needed drinking water to the citizens of Los Angeles at low cost, the Honeywell Settlement will also expedite remediation and support restoration of groundwater in the SFB; and

WHEREAS, as a condition precedent to implementation of the historic and highly-beneficial Honeywell Settlement, LADWP must enter into a 50-year License Agreement (License) in the form attached to the Honeywell Settlement to provide Honeywell long-term access to certain LADWP properties more fully described in the License; and

WHEREAS, pursuant to Sections 606 and 607(a) of the Charter of the City Charter, City Council approval is required for LADWP to enter into this License with Honeywell; and

NOW, THEREFORE, BE IT RESOLVED that the License, approved as to form and legality by the City Attorney, on file with the Secretary of the Board whereby LADWP gives permission to Honeywell to use the properties for the purposes and upon the terms and conditions set forth in said License, is hereby authorized and approved, subject to City Council approval.

BE IT FURTHER RESOLVED that pursuant to Section 605(b) of the City Charter, the Board of Water and Power Commissioners of the city of Los Angeles finds that: (1) the properties to be licensed are not presently needed for LADWP departmental purposes; and (2) the grant of the License will not interfere with LADWP departmental purposes.

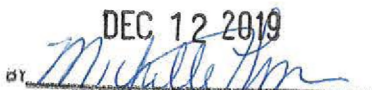
BE IT FURTHER RESOLVED that the City Council is requested to approve said License as provided in Section 606 of the City Charter and make the finding that a term longer than 30 years is in the best interest of the City as provided in Section 607(a) of the City Charter.

BE IT FURTHER RESOLVED that upon approval by the City Council, the President or Vice President, the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board, are hereby authorized and directed to execute said License and any ancillary documents required to be entered into in furtherance of the License, for and on behalf of LADWP.

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 on JAN 28 2020

  
Secretary

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

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BY MICHELLE LYMAN  
DEPUTY CITY ATTORNEY