



RESOLUTION NO. _____

BOARD LETTER APPROVAL

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RICHARD F. HARASICK
Senior Assistant General Manager
Water System

A handwritten signature in blue ink, appearing to read 'M. Adams', written over a horizontal line.

MARTIN L. ADAMS
Chief Operating Officer

A handwritten signature in blue ink, appearing to read 'D. Wright', written over a horizontal line.

DAVID H. WRIGHT
General Manager

DATE: March 19, 2018

SUBJECT: Amendment No. 1 to Memorandum of Understanding for Utility Subscription Program and Facilitated Research Service Program With The Water Research Foundation

SUMMARY:

Amendment No. 1 to Memorandum of Understanding (MOU) for Utility Subscription Program and Facilitated Research Service Program with The Water Research Foundation (Amendment) adds four years and \$4,000,000. LADWP will provide amended funding for the two programs in an amount not to exceed \$5,740,000 for the period of January 1, 2016, to December 31, 2022. The annual usage is estimated at \$800,000 per year; funding is budgeted. The current MOU expires December 31, 2018, and approximately 90 percent of the original \$1.74 million of funding has been utilized.

City Council approval is required.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of Amendment as required in Charter Section 373.

ALTERNATIVES CONSIDERED

The alternatives considered were to conduct The Water Research Foundation (WRF) equivalent research in-house and discontinue WRF membership. Replicating the research would be very difficult since LADWP's core competencies are in planning, designing, constructing, operating, and maintaining the water system. The international-level expertise of WRF's network of researchers and utility partners is extremely challenging to engage and coordinate. In addition, LADWP would lose the benefit of the multimillion dollar annual funding provided by WRF's large utility membership base.

Ultimately, ending membership would have detrimental impacts to LADWP's ability to strategically plan for changes in water regulations and environmental sustainability practices. LADWP would not only lose its voice in national and international research, but would also lose access to ongoing studies on technological and process improvements needed to effectively serve our customers.

FINANCIAL INFORMATION

WRF Utility Subscription Program and Facilitated Research Service Program on an as-needed basis is for a cumulative amount not to exceed \$5,740,000 for the period from January 1, 2016, to December 31, 2022.

WRF's annual membership fee calculation is adjusted to LADWP's overall water deliveries, water purchases from the Metropolitan Water District of Southern California, and the population of the City of Los Angeles.

BACKGROUND

WRF fulfills a vital need for water utilities by conducting research in areas of particular interest to the nation's water systems, providing a forum for the mutual exchange of ideas, and supplying information on problems that confront the water industry and the public. Just as importantly, WRF's methodologies for research and findings are structured to provide independent and credible information to members.

WRF is actively engaged in accomplishing broad-based research on water quality, water operation, and water supply issues that affect the nation's water utilities. It directs many of the research efforts toward water quality and contamination, water shortages and water system security. WRF conducts research projects to resolve problems related to aging infrastructure, such as water mains, and to develop best management practices for maintaining and operating infrastructure to provide safe drinking water to customers. These research projects, some of which will be completed within the next few years, will greatly enhance LADWP's understanding of complexities associated with aging infrastructure and how to most effectively maintain and operate such facilities.

Also, WRF is working on projects related to water resources, water conservation, and demand-side management. These projects investigate problems and challenges that are experienced by utilities and develop best practices to mitigate them. WRF studies anticipate water demands and use patterns based on climate change, including drought management.

WRF has 980 members internationally, 863 from the United States. The pooling of members' resources to conduct these extensive mutually beneficial research projects greatly reduces LADWP's financial obligations, and increases the scope and quality of research.

In the 2012-2017 timeframe, LADWP has benefited from participation in over 22 research projects and committees with a total research value of about \$72 million.

Additional benefits are:

- Low cost and convenient training and development of LADWP staff by accessing its network of researchers and drinking water experts, providing free access to relevant research reports, participating in project advisory committees, and attending technology conferences and workshops.
- Access to experts who can provide urgent facilitated scientific research services, which can be used for issues that have direct impact and are time-sensitive for LADWP. If these issues are relevant to other Southern California water agencies, collaboration, and cost-sharing is always pursued. Authorization for such research services would be with the approval of the Senior Assistant General Manager – Water System or designee.
- Research and development of strategies to address new regulations.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report was approved on March 15, 2018.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(2) states that continuing administrative or maintenance activities, such as the amendment of an existing contract for as needed services does not meet that definition. Therefore, the amendment of a contract for the Utility Subscription Program and Facilitated Research Service Program with the Water Research Foundation is not an action subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and Amendment as to form and legality.

ATTACHMENTS

- Resolution
- Amendment
- City Administrative Officer's Report