

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed Amendment No. 1 to Agreement No. 47977 with WorleyParsons Group, Inc. (WorleyParsons) to provide reclaimed water utilization services.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioner's (Board) action of December 17, 2013, Resolution No. 014-120 approving Amendment No. 1 to Agreement No. 47977 with WorleyParsons to provide reclaimed water utilization services with said Amendment to extend the contract term by 24 months to December 19, 2015.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of Amendment No. 1 to Agreement No. 47977 will have no impact on the Los Angeles Department of Water and Power (LADWP) Power Revenue Fund or the City's General Fund. The proposed Amendment complies with the LADWP's adopted Financial Policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE - FEBRUARY 24, 2014

(LAST DAY FOR COUNCIL ACTION - FEBRUARY 21, 2014)

Summary:

On February 5, 2015, your Committee considered a December 18, 2013 Board and November 5, 2013 CAO reports and Resolution No. 014-120 relative to proposed Amendment No. 1 to Agreement No. 47977 with WorleyParsons to provide reclaimed water utilization services. Amendment No. 1 will extend the contract term for 24 months to a revised term of 60 months from December 20, 2010 to December 19, 2015. According to the CAO, in support of water conservation goals, the LADWP is determining its own ability to reduce potable water usage by substituting reclaimed water in irrigation, equipment operation, and other industrial applications.

On December 20, 2010, the Board awarded the competitively bid original Agreement to WorleyParsons to conduct reclaimed water utilization services to determine whether reclaimed water can be safely and reliably substituted for potable water at LADWP power generating stations, which could result in a reduction of potable water usage by approximately 160 million gallons per year. The original Agreement included a term of three years, expiring December 19, 2013, and a not-to-exceed expenditure authority of \$1,200,000.

Due to delays in obtaining and converting project data, the timeline for completing the water utilization services was impacted and extended beyond the contract term. It is estimated that the completion of the services will require an additional 18 months although this request includes 24 months to allow for unforeseen project delays. The reclaimed water utilization services that require WorleyParsons assistance and continuation of this Agreement consist of: operator and engineer training; generating station cycle chemistry improvements; generating station monitoring improvements; and reclaimed water pilot testing.

After consideration and having provided an opportunity for public comment, the Committee moved to

recommend concurring with the Board to approve Amendment No. 1 to Agreement No. 47977. The matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	YES
HUIZAR:	YES
KORETZ:	ABSENT

-NOT OFFICIAL UNTIL COUNCIL ACTS-