

WHEREAS, the Navajo Project consist of the Navajo Southern Transmission System (STS), and the Navajo Western Transmission System (WTS); and

WHEREAS, the Department of Water and Power of the City of Los Angeles; United States of America, Department of the Interior, Bureau of Reclamation; United States of America, Department of Energy, Western Area Power Administration, Desert Southwest Region; Arizona Public Service Company; Nevada Power Company any d/b/a NV Energy; Salt River Project, Agricultural Improvement and Power District; Tucson Electric Power Company, are joint partners in Navajo Project (Navajo Participants); and

WHEREAS, the original installation of a phase shifting transformer at the Liberty Substation was necessary for the most economical control of division of the power flow between the Mead-Liberty line and the Navajo Project (Liberty Phase Shifter); and

WHEREAS, the Western Area Power Administration (WAPA), acting by and through the Department of Energy is responsible for the operation and maintenance of a component of the Navajo Project which includes the Liberty Phase Shifter; and

WHEREAS, in 1974, the Navajo Participants and WAPA entered into the Navajo Project Pacific Northwest-Pacific Southwest Intertie Project for the Installation, Operation, Maintenance and Replacement for the Phase Shifting Transformer at the Liberty Substation, (Contract No. 14-06-300-2438), as amended from time to time (Liberty Agreement No. 2438); and

WHEREAS, the Liberty Agreement No. 2438 established the terms and conditions, including, but not limited to, the cost allocation of the operation and maintenance of the Liberty Phase Shifter among the Navajo Participants, and expired on September 22, 2021; and

WHEREAS, the Navajo Participants determined that the Liberty Phase Shifter is no longer needed for the economic and reliable operation of the Navajo Project; and

WHEREAS, additional studies performed by the Navajo Participants determined that the decommissioning of the Liberty Phase Shifter would not cause a negative impact on other systems and/or paths interconnected to the Navajo Project; and

WHEREAS, the Navajo Participants and WAPA are proposing to enter into Contract No. 21-DSR-13092 for the Navajo Project Pacific Northwest-Pacific Southwest Intertie Project for the Decommissioning of a Phase Shifting Transformer at Liberty Substation (identified by LADWP as DWP No. BP 21-014), outlining each parties' respective rights and obligations for the decommissioning of the Liberty Phase Shifter (Decommissioning Agreement); and

WHEREAS, pursuant to the Decommissioning Agreement, WAPA is the Decommissioning Agent; and

WHEREAS, the parties finalized the Decommissioning Agreement in the last quarter of 2021; however, to ensure there was no lapse between the expired Liberty Agreement No. 2438 and the effectiveness of the Decommissioning Agreement, the parties agreed to an effective date of September 22, 2021, for the Decommissioning Agreement, and shall remain in effect until the decommissioning is completed and WAPA has finalized all its obligations under section 9.4 of the Decommissioning Agreement; and

WHEREAS, LADWP's share of the decommissioning cost is estimated at \$175,259.75; and LADWP shall not incur any additional liability or cost associated with the Liberty Phase Shifter or its decommissioning.

NOW, THEREFORE, BE IT RESOLVED that the Decommissioning Agreement, a copy of which is on file with the Secretary of the Board of Water and Power Commissioners (Board), approved as to form and legality by the City Attorney, be and the same is hereby approved.

BE IT FURTHER RESOLVED that the Board requests that the Los Angeles City Council approve, by ordinance, the Decommissioning Agreement.

BE IT FURTHER RESOLVED that the Chief Accounting Employee, upon proper certification, is hereby authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising from or related to the Decommissioning Agreement.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or 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 be and they are hereby authorized and directed to execute Decommissioning Agreement for and on behalf of LADWP upon approval by the City Council, by ordinance, pursuant to Section 674 of the Charter of the City of Los Angeles.

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 **FEB 14 2023**

APPROVED AS TO FORM AND LEGALITY
HYDEE FELDSTEIN SOTO, CITY ATTORNEY

Shanti L. Mitchell

Secretary

DEC 22 2022
BY *Syndi Driscoll*
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY