

WHEREAS, the Los Angeles Department of Water and Power (LADWP) is committed to the development of local water resources to form a more reliable and resilient water supply, including the beneficial reuse of recycled water, to reduce the City of Los Angeles' (City) dependence on purchased imported water supplies; and

WHEREAS, LADWP is responsible for delivering safe and reliable water and electricity to the residents and businesses of the City and is responsible for securing a reliable water supply, operating the City's drinking and recycled water distribution systems, and maintaining the resiliency of the water infrastructure; and

WHEREAS, Los Angeles Department of Public Works Bureau of Sanitation and Environment (LASAN), a department of the City and the owner and operator of the Donald C. Tillman Water Reclamation Plant (DCTWRP), is a producer of recycled water, authorized under Section 580 of the City Charter, to supply recycled water to LADWP for distribution to its recycled water customers; and

WHEREAS, LADWP and LASAN (Parties) are committed to pursuing opportunities to enhance water conservation and improve water quality, with the objective of increasing the long-term sustainability of the City's local water supply through increased recycled water use, stormwater capture, and groundwater recharge; and

WHEREAS, the City identified the Groundwater Replenishment Project (GWR Project) as a means of increasing the long-term sustainability of the City's local water supply, and recognized that the GWR Project can recycle up to 100 percent of tertiary treated water from DCTWRP, with the goal of producing purified recycled water for groundwater replenishment in the San Fernando Valley and to supplement the City's drinking water supply; and

WHEREAS, the Parties entered into Agreement WR-22-1000 to formalize the partnership for the GWR Project, and to authorize the engineering and design of the GWR Project; and

WHEREAS, the Parties also agreed that upon substantial completion of the engineering and design, LADWP would determine if the GWR Project is technically viable and cost effective, and construction of the GWR Project would be dependent on the recommendation from LADWP staff and subject to approval from the LADWP's Board of Commissioners; and

WHEREAS, LASAN Board of Public works approved a Design-Build Contractor (Contractor) on February 14, 2023, which authorized the Contractor to design the Advanced Water Purification Facility (AWPF) needed for the GWR Project, and also requires the contractor to provide a Guaranteed Maximum Price for the construction of the AWPF; and

WHEREAS, the Parties have substantially completed the engineering and design of the GWR Project, and have received a Guaranteed Maximum Price from the Design-Build Contractor for the AWP, and the Parties have estimated the total cost to construct and operate the GWR Project; and

WHEREAS, the Parties have unanimously agreed the GWR Project is technically viable and cost-effective and recommend that the GWR Project be constructed and become operational by 2028; and

WHEREAS, LADWP recommends to enter into a new Memorandum of Agreement (Agreement) with LASAN for a reimbursement amount not to exceed \$740 million for the construction and performance validation of the GWR Project; and

WHEREAS, the Agreement also provides that LADWP shall reimburse LASAN for operations and maintenance costs associated with producing advanced treated recycled water for a term of 35 years.

NOW, THEREFORE, BE IT RESOLVED that pursuant to City Charter Section 1022, the Board of Water and Power Commissioners (Board) finds that LADWP shall enter into the Agreement with LASAN for the GWR Project pursuant to this Agreement No. WR-24-1000.

BE IT FURTHER RESOLVED that the President or Vice President, or the General Manager, the Senior Assistant General Manager over the Water System, 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 to amend and/or modify the subject agreement for and on behalf of LADWP for items that are non-material and/or administrative in nature that do not change either the costs or terms of the agreement.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Water Revenue Fund, in accordance with the terms of this Agreement and this Resolution.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the Resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

APPROVED AS TO FORM AND LEGALITY  
HYDEE FELDSTEIN SOTO, CITY ATTORNEY  
September 12, 2024

  
Secretary



BY \_\_\_\_\_  
MARK S. REUSCH  
Deputy City Attorney