

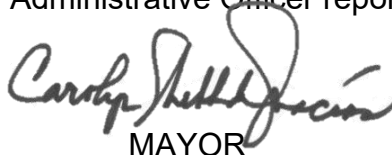
0150-12608-0000

**T R A N S M I T T A L**

TO Martin L. Adams, General Manager Los Angeles Department of Water and Power	DATE 4/24/2024	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 15	

**LOS ANGELES DEPARTMENT OF WATER AND POWER PROPOSED RESOLUTION  
AUTHORIZING A RIGHT OF WAY AGREEMENT WITH PHILLIPS 66 COMPANY FOR AN  
EASEMENT FOR THE INSTALLATION, ACCESS, MAINTENANCE, AND OPERATION OF A  
RECYCLED WATER PIPELINE ON SAID EASEMENT IN SAN PEDRO**

Transmitted for further processing including Council consideration.  
See the City Administrative Officer report attached.

  
MAYOR

(Carolyn Webb de Macias for)

MWS:PJH/JVW:IR:10240171t

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: March 19, 2024

CAO File No.: 0150-12608-0000

Council File No.:

Council District: 15

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Communication from the Department of Water and Power dated February 28, 2024; January 18, 2024 Presentation; referred by the Mayor for report on March 1, 2024

Subject: **LOS ANGELES DEPARTMENT OF WATER AND POWER PROPOSED RESOLUTION AUTHORIZING A RIGHT OF WAY AGREEMENT WITH PHILLIPS 66 COMPANY FOR AN EASEMENT FOR THE INSTALLATION, ACCESS, MAINTENANCE, AND OPERATION OF A RECYCLED WATER PIPELINE ON SAID EASEMENT IN SAN PEDRO**

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### RECOMMENDATION

That the Mayor:

1. Approve the Los Angeles Department of Water and Power (LADWP) proposed Resolution authorizing a Right of Way Agreement in perpetuity with Phillips 66 (P66) Company for a ten foot wide easement for \$10 for the purpose of installing, ingress/egress, maintenance, and operation of a twenty-four inch recycled water pipeline and associated underground appurtenances on a segment on a portion of P66's real property, located in San Pedro, California, and identified as portion of APN 7412-022-008 and 7412-022-009; and
2. Return the proposed Resolution to the LADWP for further processing, including Council consideration.

### SUMMARY

The Los Angeles Department of Water and Power (LADWP) requests approval as a grantee to enter into a Right of Way Agreement (Agreement) with Phillips 66 Company (P66 / Grantor) for a ten foot wide underground segment of P66's real property for the purpose of installing, maintaining, and operating a twenty-four inch water pipeline underground to transport recycled potable water. This proposed pipeline will support LADWP's Harbor Recycled Water System Project (Project) which provides recycled water to industrial and irrigation customers in the harbor service area.

The Project will construct a potable back up for the Harbor Recycled Water System to improve reliability. LADWP requires indefinite access to the property, and P66 has requested indemnification into perpetuity against claims resulting from LADWP's access rights granted under the Agreement.

The total one-time cost to the City for the Agreement is \$10. The Agreement has been reviewed and approved as to form by the City Attorney on February 13, 2024. Pursuant to Charter Section 373, City Council approval is required because the term exceeds three years. Our Office has reviewed the request and recommends approval.

## BACKGROUND

The Terminal Island Water Reclamation Plant (TIWRP) Advanced Water Treatment Facility (AWTF) operated by the City of Los Angeles' Public Works, Bureau of Sanitation (BOS), supplies most of the recycled water for the Harbor area. The BOS partners with LADWP via the AWTF to bring recycled water to industrial and irrigation customers as part of the Harbor Water Recycling Project (HWRP). The Department reports that three large customers are the primary users and over the last four years, on average, have experienced twelve outages per year. As a result, and to minimize any delays in supply of this resource, the LADWP's February 28, 2024 request will help create secondary and necessary redundant pipeline to provide potable water only in instances when the AWTF is offline or not able to supply water on demand.

*Location* – A segment of this Project is on a portion of P66's property near North Gaffey Street and West Anaheim Street in San Pedro. Approval of the Agreement will allow LADWP to use approximately 937 square feet along an embankment in P66's property for a segment of the recycled water pipeline. Figure 1 below is an approximate depiction of the location of the proposed easement.

Figure: Map and Approximate Location of Proposed Easement



Note: CAO Report map is a reproduction.

Refer to Attachment 1 which includes the LADWP report, map, proposed Board Resolution and property description for details. *Parcels impacted by the Grant of Rights* – Portions of Assessor's Parcel Number 7412-022-008 and 7412-022-009 are affected by the ROW Agreement. The legal description and map of the parcels are provided in the Department's report as Exhibit A and B.

*Reservation of Certain Rights* – This Agreement serves as the underlying agreement for the Project. An additional separate short-term ROW Agreement identified in this Agreement is forthcoming and will govern access to the property during the initial construction of the pipeline. The ten foot wide easement provides the Grantee (City) the right to install, maintain, inspect, alter, repair, operate, protect, replace, and relay a twenty-four inch pipeline and associated underground appurtenance for the transportation of water for an indefinite term. After Grantee has completed the project, Grantee's rights of ingress and egress on the Property will be governed exclusively by this Agreement. Should the Grantee not construct its pipeline within four years from the date signed; or after completion of construction of its pipeline, if Grantee's pipeline is not used for the Purpose granted at any time for a continuous period of one year, the Grantee's rights shall be deemed abandoned at the sole discretion of the Grantor. The Indemnification language includes indefinite indemnification of the Grantor (P66) against claims from Grantee resulting from the rights granted in the Agreement.

*Alternatives Considered* – LADWP considered not executing the Agreement. Should this project not be pursued, the Harbor Recycled Water System will continue to experience intermittent outages and with no potable back up water. This is not a feasible option and customers would be negatively impacted.

## **CITY COMPLIANCE**

The City Attorney has reviewed and approved the proposed resolution and the Agreement as to form. The Agreement contains indemnification provisions for an infinite term that exceed authority established in Resolution No. 95-0207 and requires approval by the Board of Water and Power Commissioners. Therefore, the City Attorney has opined that in accordance with Charter Section 373 and the Los Angeles Administrative Code Section 10.5, all agreements over three years require City Council approval.

*California Environmental Quality Act (CEQA)* – The Department determined that this item is exempt pursuant to CEQA Guidelines Section 15301 and 15303. In accordance with the Guidelines within Section 15301, Class 1 and Section 15303, Class 3, obtaining an agreement for the construction and operation of recycled water pipeline and its appurtenant structures which connects to existing recycled water pipelines and all the activities described are categorically exempt.

## **FISCAL IMPACT STATEMENT**

There is no impact on the General Fund. The LADWP will pay a one-time \$10 payment to P66 for the ROW Easement Agreement. This payment will be drawn from the Water Revenue Fund.

Attachment 1 – February 28, 2024 Correspondence from LADWP; LADWP January 18, 2024 Proposed Resolution and Agreement

MWS:PJH/JVW:IR:10240171t