

EXEMPTION, ENERGY AND ENVIRONMENT COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to the Second Amended and Restated Navajo Agreements updating various terms and conditions for the period of January 1, 2020 through December 31, 2029, to reflect current agreed upon responsibility for Navajo Project ownership shares, operation and maintenance costs and project facilities as they currently exist.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. DETERMINE that the item is exempt from the requirements of the California Environmental Quality Act Guidelines Section 15060(c)(3).
2. CONCUR with the Board of Water and Power Commissioners' (Board) action of December 10, 2024, Resolution No. 025-118, which approves Second Amended and Restated Navajo Agreements Nos. BP 22-014, BP 22-015, BP 22-016.
3. PRESENT and ADOPT the accompanying ORDINANCE dated January 14, 2025, approving the Second Amended and Restated Navajo Co-Tenancy Agreement, No. BP 22-014, the Second Amended and Restated Navajo Southern Transmission System Operating Agreement, No. BP 22-015, and the Second Amended and Restated Navajo Western Transmission System Operating Agreement, No. BP 22-016 (collectively the Second Amended and Restated Navajo Project Agreements); and delegating to the Board limited authority to amend said agreements.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the Second Amended and Restated Navajo Co-Tenancy Agreement, the Second Amended and Restated Navajo Southern Transmission System Operating Agreement and the Second Amended and Restated Western Transmission System Operating Agreement together identify the operation and maintenance cost responsibility for the Navajo Project. The Los Angeles Department of Water and Power (LADWP) annual cost responsibility is estimated to be approximately \$5 million and is not projected to change significantly as a result of the proposed amendments. However, any potential costs resulting from the amendments will be paid from the Power Revenue Fund. There is no impact on the General Fund.

Financial Policies Statement: The CAO reports that the recommendations comply with the LADWP adopted Financial Policies.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on January 21, 2025, your Energy and Environment Committee considered Board and City Attorney reports and an Ordinance relative to the Second Amended and Restated Navajo Agreements updating various terms and conditions for the period of January 1, 2020 through December 31, 2029, to reflect current agreed upon responsibility for Navajo Project ownership shares, operation and maintenance costs and project facilities as they currently exist.

After an opportunity for public comment, the Committee moved to concur with the Board's resolution and approve the Ordinance, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
NAZARIAN	YES
YAROSLAVSKY	ABSENT
JURADO	YES
RAMAN	YES
PADILLA	YES

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-