

0150-12107-0000

T R A N S M I T T A L

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| TO Martin L. Adams, General Manager Los Angeles Department of Water and Power | DATE 07/27/2022 | COUNCIL FILE NO. |
| FROM The Mayor | COUNCIL DISTRICT All | |

**UTILITY CROSSING AGREEMENT BETWEEN TORRANCE PIPELINE COMPANY LLC
AND
THE LOS ANGELES DEPARTMENT OF WATER AND POWER
FOR THE HALLDALE RECEIVING STATION (LADWP File No.P-84949)**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.



MAYOR

(Mary Hodge for)

MWS:IR:10230002

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 21, 2022

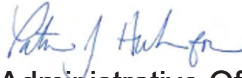
CAO File No.: 0150-12107-0000

Council File No.:

Council District:

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer



Reference: Communication from the Department of Water and Power dated May 27, 2022; Referred by the Mayor's Office on May 31, 2022

Subject: **UTILITY CROSSING AGREEMENT (LADWP File No.P-84949) BETWEEN THE TORRANCE PIPELINE COMPANY LLC. AND THE LOS ANGELES DEPARTMENT OF WATER AND POWER FOR THE HALLDALE RECEIVING STATION**

RECOMMENDATION

That the Mayor:

1. Approve the proposed Resolution authorizing a 30-year Utility Crossing Agreement with Torrance Pipeline Company LLC, a Delaware limited liability company, successor in interest to Exxon Mobil Oil Corporation, a New York corporation, covering property located in the City of Torrance, California, for the right to construct, maintain, operate, repair, and remove a control cable duct bank, linking to the Los Angeles Department of Water and Power (LADWP) Halldale Receiving Station, in the City of Torrance, which includes a one-time \$4,000 retroactive rent payment covering October 13, 2017 through October 12, 2021, and thereafter a \$1,000 annual rent payment, increased by three percent annually over the remaining life of the agreement through October 12, 2047;
2. Authorize the Chief Accounting Employee of the LADWP, upon proper certification, to draw demands on the Power Revenue Fund for payment of the obligations under the Utility Crossing Agreement up to a 30-year term; and,
3. Return the proposed Resolution to the Department for further processing, including Council consideration, and approval pursuant to Charter Section 373 and the Los Angeles Administrative Code Section 10.5 (e).

SUMMARY

Approval of the proposed Resolution authorizes the LADWP to execute a 30-year Utility Crossing Agreement with the Torrance Pipeline Company, LLC, which is adjacent to the LADWP Halldale Receiving Station located in Torrance, California. This Agreement will give LADWP the right of ingress and egress over and across the Torrance Pipeline's easement, and the right to maintain,

operate, repair, construct, and remove a control cable duct bank, linking to the LADWP Halldale Receiving Station. The term of the Agreement is retroactive from October 12, 2017 through October 11, 2047, as the previous Agreement expired on October 11, 2017. The fiscal impact is up to \$43,709.63 over the term, which includes a one-time retroactive payment.

The City Attorney has approved the proposed Resolution as to form and legality.

City Council approval is required pursuant to the City Charter Section 373 for long term contracts and the Los Angeles Administrative Code (LACC) Section 10.5 (e) for contracts over five years which shall be first approved by the Council.

BACKGROUND

The original Agreement with ExxonMobil Corporation was from October 12, 2012 to October 11, 2017. Under this Agreement, LADWP installed conduits needed for electrical wiring and cables under the pipelines owned by Exxon Mobil, thereby connecting four circuit breakers in the LADWP switchyard and the control metering, and system protection equipment inside the control room of the LADWP Halldale Receiving Station. Since that time, the Easement changed ownership in 2016 to the Torrance Pipeline Company, LLC. LADWP requires on-going access to the property and the right to construct, maintain, operate, repair, and remove a control cable duct bank linking to the LADWP Halldale Receiving Station.

The 30-year Utility Crossing Agreement authorizes a one-time retroactive \$4,000 rent payment to Torrance Pipeline for October 13, 2017 through October 12, 2021, and thereafter a \$1,000 annual rent payment, increased by three percent annually over the remaining life of the Agreement through October 12, 2047. LADWP anticipates the total fiscal impact may be up to \$43,709.63 for rent payments. Lastly, staff advises that \$14,000 in additional holdover fees, late payments and interest may also be expended over the term of the Agreement due to unforeseen circumstances. It is recommended that contingency amounts be set aside through the LADWP annual budget process.

FISCAL IMPACT STATEMENT

There is no General Fund impact. Approval of the proposed Resolution will have a fiscal impact for rent payments up to \$43,709.63 to the LADWP Power Revenue Fund over the term of the Utility Crossing Agreement. The proposed request complies with the LADWPs Financial Policies in that funding is available for this purpose.

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Attachments