

RESOLUTION NO. 27635

WHEREAS, on recommendation of Management, there was presented for approval, First Amendment to Reimbursement Agreement DA-5455 with Delta Air Lines, Inc. to extend the term through July 14, 2024, covering additional electrical capacity to Terminal 3 and power redundancy to the north terminals at Los Angeles International Airport; and

WHEREAS, Los Angeles World Airports (LAWA) has embarked on infrastructure improvements to the northside of the Central Terminal Area at Los Angeles International Airport (LAX). As part of those improvements, Delta Air Lines, Inc. (Delta) is renovating portions of Terminal 2 (T2) and rebuilding Terminal 3 (T3). Currently, the northside terminals are fed from the east side of the LAX campus, from two (2) Los Angeles Department of Water and Power (LADWP) circuits originating from LADWP Receiving Station-N. After consultation with LADWP regarding LAX's future utility requirements, LADWP advised that future projects will require additional electrical power; and

WHEREAS, to address the need for additional power and desired resiliency for LAWA's planned northside terminal development projects, new power circuits need to be installed from the west side of the LAX campus, which originates from the new LADWP Receiving Station-X. To accomplish it, staff negotiated the agreement with Delta to provide design, construction, and project management services to implement the needed electrical infrastructure that serves the northside terminals. Delta was in the best position to perform the work because it was the contractor performing the T2/T3 Delta Sky Way Project which incorporated the same footprint of project site as the electrical infrastructure project, specifically during the gate closures around T3 where the electrical work is located; and

WHEREAS, the purpose of the project is to replace 60+ year old underground electrical infrastructure in order to provide power capacity and redundancy by means of two (2) directional pathways to all northside terminals, resulting in a highly reliable, flexible, and resilient utility-side electrical system; and

WHEREAS, the baseline schedule for the project is linked to the baseline schedule for the T2/T3 Delta Sky Way project, which began work in the second quarter of 2021 and is scheduled to finish in the first quarter of 2024. LAWA and Delta were analyzing ways to accelerate the T2/T3 Delta Sky Way project in response to the downturn in flights due to the COVID-19 pandemic, which may result in adjustments to those dates; and

WHEREAS, LAWA and Delta were able to accelerate the completion of the T2/T3 Delta Sky Way project by approximately 18 months by vacating T3 and consolidating operations to T2, thereby allowing the complete demolition and reconstruction of most of T3 without any impact to passengers; and

WHEREAS, the acceleration of T3 work required construction of temporary trailers to accommodate contractor and airline support staff. These trailers (yellow box in Figure 1 on the following page) were in the direct path of the trench required to be constructed by the project, causing a pause in the work (shown in red in Figure 1). As such, the current schedule for completing the project is approaching the original agreement expiration date of July 14, 2023; and

WHEREAS, the final activity of the project will be performed by LADWP (under this agreement), which includes cable installation. Scheduling of said activity is under LADWP's control, and the time extension of the agreement provides a sufficient buffer to allow LADWP staff to complete their work; and



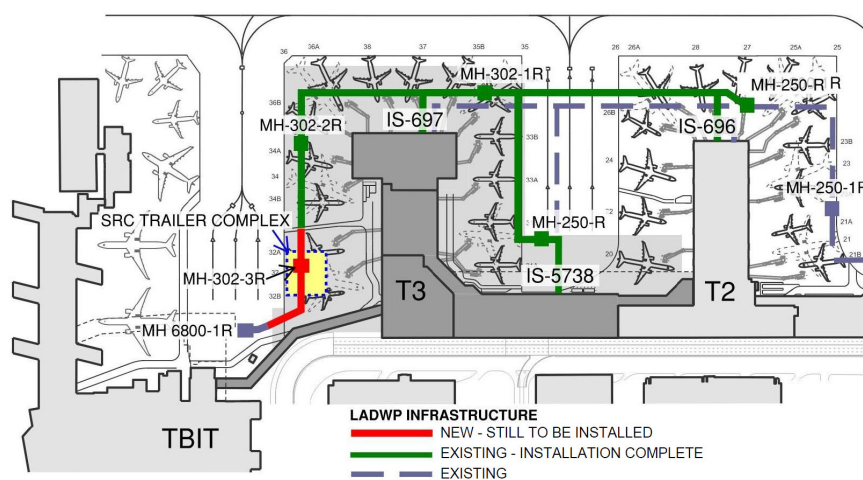


Figure 1

WHEREAS, this action, as a continuing administrative activity, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines. In addition, the operation, repair, maintenance or minor alteration of existing facilities of both investor and publicly owned utilities, electrical power and mechanical systems serving existing facilities are categorically exempt from CEQA requirements pursuant to Article III, Class 1 (2) of the Los Angeles City CEQA Guidelines; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f and Article III, Class 1 (2) of the Los Angeles City CEQA Guidelines; approved the First Amendment to Reimbursement Agreement DA-5455 with Delta Air Lines, Inc. to extend the term through July 14, 2024, covering additional electrical capacity to Terminal 3 and power redundancy to the north terminals at Los Angeles International Airport; and authorized the Chief Executive Officer, or designee, to execute said First Amendment to Reimbursement Agreement DA-5455 with Delta Air Lines, Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27635 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, December 1, 2022.


Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS