



RESOLUTION NO. _____

BOARD LETTER APPROVAL

ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

Aram Benyamin (May 10, 2024 08:23 PDT)

ARAM BENYAMIN
Chief Operating Officer

MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: May 3, 2024

SUBJECT: Right of Way Agreement from Phillips 66 Company for Recycled Water Pipeline in the Vicinity of 3500 North Gaffey Street, San Pedro, CA 90731 – LADWP Real Estate File No. W-101016

SUMMARY

LADWP is requesting approval of a Right of Way Agreement (Agreement) with Phillips 66 Company (P66) for the purpose of installing, maintaining, and operating a twenty-four (24) inch pipeline and associated underground appurtenances for the transportation of water. The proposed water pipeline and appurtenant structures are part of LADWP's Harbor System Potable Backup Project (Project). The proposed Agreement grants LADWP perpetual permission to use and access a portion of P66's real property.

The Agreement requires a one-time payment of \$10 to P66.

The Agreement includes an indemnity provision that exceeds LADWP Risk Manager's authority established by Resolution No. 95-207, and therefore requires approval by the Board of Water and Power Commissioners (Board).

City Council approval is required pursuant to Los Angeles City Charter Section 373 and Los Angeles Administrative Code Section 10.5.

RECOMMENDATION

It is requested that the Board adopt the attached Resolution requiring City Council's approval of the Agreement as required in Charter Section 373.

ALTERNATIVES CONSIDERED

The following alternative was considered:

- LADWP does not pursue the Project – This is not a feasible option because the Harbor Recycled Water System (Harbor RW System) will continue to experience occasional outages with no potable backup; therefore, customers would suffer from lack of high-quality water supply during unanticipated interruptions in service.

FINANCIAL INFORMATION

LADWP will process a one-time payment of \$10 to P66 for the grant of said Agreement. This payment will be drawn from the Water Revenue Fund.

BACKGROUND

The Harbor RW System is sourced by the Terminal Island Water Reclamation Plant (TIWRP), which is operated by the City of Los Angeles Department of Public Works Bureau of Sanitation, also known as LA Sanitation & Environment. In 2001, TIWRP partnered with LADWP for the Harbor Water Recycling Project, which helped create the Advanced Water Purification Facility (AWPF). The AWPF treats wastewater to produce high-quality, recycled water that can be used as a potable water replacement in industrial and environmental settings. LADWP identified customers in the Harbor area that can utilize the recycled water; however, the TIWRP experiences occasional unanticipated outages. Consequently, to ensure an uninterrupted supply of dependable, high-quality water to customers, the Harbor RW System requires an additional layer of reliability in the form of a potable backup.

The Project will construct a potable backup for the Harbor RW System to improve the reliability of recycled water service to Dominguez Gap Barrier, industrial, and irrigation customers in the Harbor service area. Part of the potable backup construction requires an Agreement from P66 to build a section of recycled water pipeline along an embankment in P66's property. Once construction is complete, the Project will increase the reliability of the expanded Harbor RW System by allowing the system to handle the fluctuations in system supply and demand while also improving the City's potable water supply by reducing potable demand for non-potable uses.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report was approved on April 24, 2024.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301 and Section 15303. In accordance with Section 15301, obtaining an agreement for the construction and operation of recycled water pipeline and its appurtenant structures which connects to existing recycled water pipelines is categorically exempt pursuant to Class 1 as described in CEQA Guidelines Section 15301 Class 1. Section 15301 applies to operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. Additionally, construction and operation of the recycled water pipeline and its appurtenant structures is categorically exempt pursuant to Section 15303 as described in CEQA Guidelines Section 15303 Class 3. Section 15303 applies to the construction and location of limited numbers of new, small facilities or structures.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and Agreement as to form and legality.

ATTACHMENTS

- Resolution
- Agreement
- CAO Report