

ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE, AND RIVER COMMITTEE REPORT relative to Agreement No. WR-19-1012 (Agreement) between the Los Angeles Department and Water and Power (LADWP) and Ultramar Inc. (Ultramar), a subsidiary of Valero Energy Corporation, regarding advanced treated recycled water (ATRW) service at the Valero Wilmington Refinery (Refinery).

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' (Board) action of December 8, 2020, Resolution No. 021 108, approving and authorizing the LADWP to execute the Agreement with Ultramar for a ten-year term, with two additional ten-year extension options, for ATRW service at the Refinery; and, authorizing and directing the Chief Accounting Employee, LADWP, upon proper certification, to draw demands on the Water Revenue Fund in accordance with the terms of said Agreement.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact to the General Fund. Approval of the Resolution authorizes a one-time reimbursement expenditure up to \$6 million for ATRW service at the Refinery, and \$29.15 million in anticipated revenue for the Water Revenue Fund for the initial 10-year term. This fiscal impact does not assume anticipated revenue resulting from any contract extensions.

Financial Policies Statement: The CAO reports that the recommended action complies with the LADWP's Financial Policies.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - FEBRUARY 22, 2021**

**(LAST DAY FOR COUNCIL ACTION - FEBRUARY 19, 2021)**

Summary:

At its regular meeting held on January 21, 2020, the Energy, Climate Change, Environmental Justice, and River Committee considered the Board and CAO reports, and Resolution No. 021 108 relative to authorizing the LADWP to execute Agreement No. WR-19-1012 with Ultramar for a ten-year term, with two additional ten-year extension options, for ATRW service at the Refinery. The documents attached to the Council file provides more information about the matter.

After providing an opportunity for public comment, the Committee moved to approve the recommendation contained in the Board and CAO reports, and Resolution, as detailed above. This matter is now transmitted to the Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE, AND RIVER COMMITTEE

| <u>MEMBER</u>  | <u>VOTE</u> |
|----------------|-------------|
| O'FARRELL:     | YES         |
| RIDLEY-THOMAS: | ABSENT      |
| KORETZ:        | ABSENT      |
| DE LEON:       | YES         |
| KREKORIAN:     | YES         |

A handwritten signature in blue ink, appearing to read "M. O'Connell", is written in the upper right corner of the page.

EV  
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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**