

0150-13030-0000

**T R A N S M I T T A L**

TO Janisse Quinones, General Manager Los Angeles Department of Water and Power	DATE 07/25/2025	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT ALL	

**LOS ANGELES DEPARTMENT OF WATER AND POWER PROPOSED RESOLUTION  
AUTHORIZING A SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING  
WITH THE CITY OF LOS ANGELES FOR PROJECT DELIVERY AND SERVICE NEEDS**

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



MAYOR

(Carolyn Webb de Macías for)

Attachment  
MWS/PJH/JVW:JPQ:10260032t

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: July 18, 2025

CAO File No. 0150-13030-0000

Council File No.

Council District: ALL

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Communication from the Department of Water and Power dated June 30, 2025; referred by the Mayor for a report on July 15, 2025

Subject: **LOS ANGELES DEPARTMENT OF WATER AND POWER PROPOSED RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE CITY OF LOS ANGELES FOR PROJECT DELIVERY AND SERVICE NEEDS**

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### RECOMMENDATION

That the Mayor:

1. Approve the Los Angeles Department of Water and Power (LADWP) proposed Resolution authorizing the LADWP to execute a Second Amendment to the Master Memorandum of Understanding (MOU) with the City of Los Angeles to effectuate the following:
  - a. Extend the term by an additional five years for a total of ten years, from September 26, 2025 to September 25, 2030;
  - b. Increase the total cost for services by \$20 million for a total not-to-exceed cost of \$60 million; and,
  - c. Add the Bureau of Street Lighting to the list of City departments and bureaus agreeing to provide services to LADWP;
2. Authorize, upon proper certification, the Chief Accounting Employee to draw demands on the Water and Power Revenue Funds, in accordance with the terms of this Amendment to the MOU and Resolution; and
3. Return the proposed Resolution to LADWP for further processing, including Council consideration.

### SUMMARY

The Los Angeles Department of Water and Power (LADWP; Department) requests authority to execute a Second Amendment to the Master Memorandum of Understanding (MOU) with the City for project delivery and service needs. The proposed Second Amendment (Amendment) will extend

the existing term of the MOU by five years for a total of ten years, from September 26, 2025 to September 25, 2030, and increase the MOU's not-to-exceed cost for services by \$20 million from \$40 million to 60 million. The Amendment proposes to add the Bureau of Street Lighting (BSL) to the list of departments and bureaus who have agreed to provide services to LADWP. The additional funding and time will allow LADWP the opportunity to use City services on a temporary, as-needed, or emergency basis. Except as proposed in this Amendment, all other terms and conditions of the original MOU remain unchanged.

The City Attorney has reviewed and approved the proposed Amendment and Resolution as to form. As the MOU is between governmental agencies, Council approval is not required pursuant to Charter Section 373 and Los Angeles Administrative Code 10.5a. This Office has reviewed the request and recommends approval.

## **BACKGROUND**

*Original MOU and First Amendment* – On October 13, 2020, the LADWP Board of Water and Power Commissioners approved the MOU to allow the Department to contract with other City agencies to provide services related to LADWP's projects and programs. The MOU provided for a payment structure, process, and schedule as well as the financial terms and conditions. As stated in Section 5b of the MOU, the cost of services include direct and fringe costs as well as materials needed for each project scope. The MOU was approved for a two year term with an optional additional year extension for a total of three years and a total cost to LADWP of \$20 million.

In compliance with the MOU, the scope of work and costs for each project will be defined in separate agreements between LADWP and the respective departments and bureaus providing services. It is the individual departments and bureau's responsibility to either accept or decline such work in a timely manner as this may affect project timelines. Attachment 1 of the original MOU provides a template for such agreements.

On October 25, 2022, the Department executed the First Amendment to the MOU at the end of the initial two-year period to extend the term by three years for a total of five years. To date, a total of \$18.4 million has been spent with no anticipated spending prior to the MOU's expiration date as there are currently no projects. The MOU expires on September 25, 2025.

*Proposed Second Amendment* – On June 30, 2025, Department submitted the proposed Amendment and Resolution to extend the term by five years for a total term of ten years and increase the total not-to-exceed cost of services by \$20 million from \$40 million to \$60 million. The Amendment also adds BSL as one of the departments and bureaus listed in the Section 5a who have agreed to provide services to LADWP. Specific service(s) and scope(s) of work to be provided by BSL are yet to be determined. The additional funding and time will allow for the City departments and bureaus to continue providing services to LADWP on a temporary, as-needed, or emergency basis.

*Alternatives Considered* – LADWP considered allowing the MOU to expire and contracting for services instead. This was considered not feasible as the Amendment provides the Department

with flexibility to access City services which may be more economical or feasible as an alternative to using contractors. As such, LADWP seeks to amend the existing MOU with the City in order to provide for the Department's projects and programs.

## **CITY COMPLIANCE**

*Small Business Enterprise (SBE), Disabled Veterans Business Enterprise (DVBE), Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Other Business Enterprise (OBE) Subcontracting Participation* – There are no participation limits set for the MOU as there are no subcontracting opportunities identified.

*California Environmental Quality Act (CEQA)* – The Department determined that the MOU is exempt pursuant to CEQA Guidelines Sections 1060(c)(3) and 15378(b)(2) as the Amendment does not meet the definition of a project.

*Charter Section 1022* – The provisions of Charter Section 1022 do not apply as the work is being contracted with City forces.

The City Attorney has reviewed and approved the proposed MOU and Resolution as to form. In accordance with Charter Section 373 and Los Angeles Administrative Code 10.5a, the Amendment does not require Council approval as the agreement is between governmental agencies. This office has reviewed the request and recommends approval.

## **FISCAL IMPACT STATEMENT**

Approval of the Second Amendment to the Memorandum of Agreement with the City for project delivery and service needs may have a potential revenue impact to the General Fund. Revenue is dependent on acceptance of LADWP work. Approval of the proposed Resolution and contract amendment will increase the not-to-exceed cost for services by \$20 million, from \$40 million to \$60 million. Funding will be available and budgeted as part of individual project budgets in the Water and Power Revenue Funds. The recommendations in this report comply with the LADWP's adopted Financial Policies.

Attachments – LADWP June 30, 2025 Transmittal, June 30, 2025 Board Correspondence and Proposed Resolution, and Second Amendment

MWS/PJH/JVW:JPQ:10260032