



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 18 - 0 2 9 3  
SEP 20 2018

**REPORT RE:**

**DRAFT ORDINANCE PROVIDING FOR THE  
ISSUANCE OF BONDS FOR THE WASTEWATER SYSTEM  
AND AMENDING SECTIONS 5.168.1(a), 5.168.1(d), 5.168.1(e) AND 5.168.2 OF THE  
LOS ANGELES ADMINISTRATIVE CODE TO ADD SPECIAL FUNDS AND REVISE  
THE ADMINISTRATION OF EXISTING WASTEWATER SYSTEM FUNDS**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality, in connection with the City's Wastewater System Revenue Bond Program. This draft ordinance provides for the issuance of subordinate bonds (Bonds), which shall be designated as the Wastewater System Subordinate Revenue Bonds, Series 2018-A (Green Bonds); Wastewater System Subordinate Revenue Bonds, Refunding Series 2018-B; and Wastewater System Subordinate Revenue Bonds, Variable Rate Refunding Series 2018-C, with such series and subseries designations as provided by resolution.

This draft ordinance amends Sections 5.168.1(a), 5.168.1(d) and 5.168.1(e) of the Los Angeles Administrative Code to add special funds for the Bonds, consisting of Debt Service Funds for each series of Bonds, a Construction Fund for the Series 2018-A Bonds, and Rebate Funds for each series of Bonds.

This draft ordinance amends Section 5.168.1(d) of the Los Angeles Administrative Code to eliminate the General Wastewater System Construction Fund

(General Construction Fund) previously established under Ordinance No. 164924 because the General Construction Fund is unnecessary and extraneous since there is established a separate construction fund for deposit of bond proceeds for each series of bonds. Additionally, the draft ordinance also amends Section 5.168.2 of the Los Angeles Administrative Code to eliminate the reference to the General Construction Fund in the second paragraph discussion of the Wastewater System Construction Funds.

This draft ordinance also amends Section 5.168.2 of the Los Angeles Administrative Code by clarifying the administration of the Construction Funds and the Emergency Fund to be consistent with the mechanics provided in the Wastewater System General Resolution and the Subordinate Wastewater General Resolution with respect to such funds, and providing greater flexibility in the administration of the Rebate Fund by expanding the types of funds that are permitted to be deposited to a rebate fund.

Rule 38 Referral

A copy of the draft ordinance has been presented, pursuant to Council Rule 38, to the Office of the City Administrative Officer, the Office of the Controller, and the Bureau of Sanitation, and their comments have been incorporated.

If you have any questions regarding this matter, please contact Deputy City Attorney Amy Pham at (213) 978-7788. She or another member of this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

  
By DAVID MICHAELSON  
Chief Assistant City Attorney

DM:AP: mg  
Transmittal