


TO CITY CLERK FOR PLACEMENT ON NEXT  
REGULAR COUNCIL AGENDA TO BE POSTED

#55

MOTION

I MOVE that the Council Action of November 25, 2015 relative to the extension and replacement of Wastewater System Debt Program credit facilities (CF No. 08-0951) BE AMENDED to adopt the attached TWENTIETH SUPPLEMENTAL RESOLUTION, which clarifies bank rating requirements as they pertain to commercial paper notes and substitutions, inasmuch as the RESOLUTION was inadvertently omitted from the original action.

PRESENTED BY:   
FELIPE FUENTES  
Councilmember, 7<sup>th</sup> District

SECONDED BY: 

ORIGINAL



DEC - 9 2015

THE COUNCIL OF THE CITY OF LOS ANGELES

TWENTIETH SUPPLEMENTAL RESOLUTION  
Adopted by the Council of the City

---

SUPPLEMENTING AND AMENDING

THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS  
GENERAL RESOLUTION  
and certain  
SUPPLEMENTAL RESOLUTIONS thereto  
Previously Adopted by the Council of the City

**\$400,000,000**  
Maximum Aggregate Authorized Amount  
City of Los Angeles  
Wastewater System  
Commercial Paper Revenue Notes

**TWENTIETH SUPPLEMENTAL RESOLUTION**

**RELATED TO THE**

**\$400,000,000**

**Maximum Aggregate Authorized Amount  
City of Los Angeles  
Wastewater System  
Commercial Paper Revenue Notes**

**WHEREAS**, the Council (the "Council") of the City of Los Angeles (the "City") by resolutions submitted to the voters of the City and such voters have authorized the issuance of an aggregate amount of \$3,500,000,000 of indebtedness pursuant to the procedures set forth in the Revenue Bond Law of 1941, Government Code Sections 54300 *et seq.*, to finance a portion of a major wastewater system improvement program; and

**WHEREAS**, the Council determined that it was appropriate and beneficial to the City to issue a portion of the authorized indebtedness in the form of Subordinate Bonds (defined below), including commercial paper notes, and in connection therewith on March 26, 1991, the Council adopted a resolution entitled the "WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION" (as supplemented and amended, the "Subordinate General Resolution") which sets forth the basic terms under which the City may issue Subordinate Bonds (as defined in the Subordinate General Resolution); and

**WHEREAS**, on March 26, 1991, the Council also adopted a resolution designated as the "FIRST SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION" (the "First Supplemental Resolution") to, among other actions, authorize the issuance of such Subordinate Bonds in the form of commercial paper notes which were designated therein as the "Commercial Paper Notes" (the "Commercial Paper Notes") in the maximum aggregate principal amount outstanding from time to time of \$130,000,000; and

**WHEREAS**, on August 13, 1996, the Council adopted a resolution entitled "SECOND SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION" (the "Second Supplemental Resolution") pursuant to which the Council, among other actions, increased the maximum authorized aggregate principal amount of Commercial Paper Notes to \$200,000,000; and

**WHEREAS**, on September 3, 1997, the Council adopted a resolution entitled "THIRD SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION AND THE WASTEWATER SYSTEM SECOND SUPPLEMENTAL RESOLUTION" (the "Third Supplemental Resolution") to, among other actions, increase the maximum authorized amount of such Commercial Paper Notes from \$200,000,000 to \$400,000,000; and

**WHEREAS**, on August 15, 2000, the Council adopted a resolution entitled “FOURTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Fourth Supplemental Resolution”) to, among other actions, substitute for the letter of credit then in place for the Commercial Paper Notes a new line of credit agreement as the source of liquidity with respect to the Commercial Paper Notes and to make certain other modifications to the then existing Supplemental Resolutions which added to the covenants and agreements of the City in such Supplemental Resolutions and which do not adversely affect the interests of the Bondholders; and

**WHEREAS**, on January 21, 2003, the Council adopted a resolution entitled “SIXTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Sixth Supplemental Resolution”) to, among other actions, substitute a new line of credit agreement for the line of credit agreement then in place with respect to the Commercial Paper Notes; and

**WHEREAS**, on June 25, 2010, the Council adopted a resolution entitled “ELEVENTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Eleventh Supplemental Resolution”) to, among other actions, substitute a new line of credit agreement (as subsequently amended, the “2010 Credit Agreement”) for the credit agreement then in place with respect to the Commercial Paper Notes, reappoint certain dealers for the Commercial Paper Notes, and approve the terms and form of an amended and restated issuing and paying agent agreement, dated as of June 1, 2010, with U.S. Bank National Association, as issuing and paying agent (the “Issuing and Paying Agent”) for the Commercial Paper Notes; and

**WHEREAS**, on December 11, 2012, the Council adopted a resolution, as subsequently amended and restated on May 7, 2013 by adoption of a resolution entitled, “AMENDED AND RESTATED FIFTEENTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Amended and Restated Fifteenth Supplemental Resolution”) to, among other actions, (i) substitute for the 2010 Credit Agreement then in place with respect to the Commercial Paper Notes (a) an irrevocable transferable direct pay letter of credit, dated December 18, 2012 (the “2012 BNYM Letter of Credit”), issued by The Bank of New York Mellon, a New York state banking corporation (“BNYM”), and in connection therewith authorize the execution and delivery of the Reimbursement Agreement, dated as of December 1, 2012, and the related Fee Letter, dated December 18, 2012, each by and between the City and BNYM, and (b) an irrevocable transferable direct pay letter of credit, dated December 18, 2012 (the “2012 SMBC Letter of Credit”), issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (“SMBC”) and in connection therewith authorize the execution and delivery of the

Reimbursement Agreement, dated as of December 1, 2012, and the related Fee Letter, dated December 18, 2012, each by and between the City and SMBC; (ii) authorize the execution and delivery of dealer agreements with certain commercial paper dealers appointed as non-exclusive dealers in connection with the offering and sale of the Commercial Paper Notes; (iii) authorize the execution and delivery of an amended and restated issuing and paying agent agreement, dated as of December 1, 2012, with the Issuing and Paying Agent; and (iv) give to any Authorized City Representative the discretion and approval to appoint successor or replacement dealers from the City's approved underwriting pool if it is determined to be in the best interest of the City; and

**WHEREAS**, on November 25, 2015, the Council adopted a resolution entitled "EIGHTEENTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY" (the "Eighteenth Supplemental Resolution" and together with the First Supplemental Resolution, the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Sixth Supplemental Resolution, the Eleventh Supplemental Resolution and the Amended and Restated Fifteenth Supplemental, the "Previous CP Supplemental Resolutions") to, among other things, (i) provide for the substitution of a new irrevocable transferable direct pay letter of credit (the "2015 Barclays Letter of Credit") issued by Barclays Bank PLC ("Barclays") for the 2012 BNYM Letter of Credit, and to authorize in connection therewith the execution and delivery of a Reimbursement Agreement, dated as of December 1, 2015, and a related Fee Letter, each by and between the City and Barclays; (ii) provide for the extension of the stated expiration date of the 2012 SMBC Letter of Credit and modify certain terms of the Reimbursement Agreement and the related Fee Letter with SMBC, and to authorize in connection therewith the execution and delivery of an Amended and Restated Reimbursement Agreement and a related Amended and Restated Fee Letter, each by and between the City and SMBC; (iii) authorize the execution and delivery of a new Amended and Restated Issuing and Paying Agent Agreement with the Issuing and Paying Agent; (iv) authorize the execution and delivery of Dealer Agreements with certain dealers as appointed by the City as successor or replacement dealers for the Commercial Paper Notes; and (v) approve a form of an Offering Memorandum for the Commercial Paper Notes; and

**WHEREAS**, in connection with the substitution of the 2015 Barclays Letter of Credit for the 2012 BNYM Letter of Credit as authorized pursuant to the Eighteenth Supplemental Resolution and in order to facilitate the future substitution of Credit Agreements (as defined herein) for the Commercial Paper Notes, the City now desires to amend certain provisions of the First Supplemental Resolution (as previously amended); and

**WHEREAS**, Article XI of the Subordinate General Resolution permits the City by supplemental resolution to amend and supplement the Subordinate General Resolution and any Supplemental Resolution thereto provided that certain conditions set forth in Article XI of the Subordinate General Resolution have been met, and the City has been provided an opinion of bond counsel that all such conditions have been met;

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Los Angeles as follows:

## **ARTICLE I DEFINITIONS**

The following definitions shall apply to terms used in this Twentieth Supplemental Resolution and Section 8.02 of the First Supplemental Resolution as amended hereby unless the context clearly requires otherwise.

“Bank” means, individually and collectively, as applicable, each bank then providing a Credit Agreement supporting all or any portion of the applicable Commercial Paper Notes.

“Credit Agreement” means, individually and collectively, as applicable, the reimbursement agreement, line of credit agreement, revolving credit agreement or other liquidity or credit arrangement supporting all or any portion of the applicable Commercial Paper Notes, and shall include, as applicable, the letter of credit or other credit facility or instrument provided by the applicable Bank pursuant thereto.

## **ARTICLE II CONDITIONS TO SUBSTITUTION OF CREDIT FACILITY**

Section 8.02(b) of the First Supplemental Resolution shall be amended to read in full as follows:

“(b) There shall be delivered to the City written evidence from each Rating Agency then maintaining a rating on the Commercial Paper Notes affected by the substitution of such Bank and Credit Agreement of the rating to be assigned to such affected Commercial Paper Notes upon such substitution, and in the event (but only in the event) such substitution of the Bank and Credit Agreement shall occur on a date other than a date on which either (i) no affected Commercial Paper Notes are then Outstanding or (ii) all affected Commercial Paper Notes shall mature, such written evidence shall confirm that the substitution of such Bank and Credit Agreement will not result in any rating then assigned to the Commercial Paper Notes being reduced or withdrawn.”

## **ARTICLE III MISCELLANEOUS**

**Section 3.01. Additional Actions.** All actions heretofore taken by any officers, employees, agents or directors of the City, pursuant to the Eighteenth Supplemental Resolution are hereby approved, confirmed and ratified; and the officers of the City and their authorized representatives, and each of the foregoing acting alone is, hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and to take any and all actions, and to execute and deliver such documents, agreements and certificates, which they, or any of them, may deem necessary or advisable to effectuate the purposes thereof and of this Twentieth Supplemental Resolution.

**Section 3.02. Effective Date.** This Twentieth Supplemental Resolution shall take effect from and upon its adoption.

Approved as to Form  
Michael N. Feuer  
City Attorney

By: \_\_\_\_\_  
Deputy/Assistant City Attorney