

CITY OF LOS ANGELES

CALIFORNIA



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When making inquiries relative to
this matter, please refer to the
Council File No.

September 30, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 13-1313, at its meeting held September 19, 2014.

City Clerk
wrq

OFFICE OF THE MAYOR
Mayor's Time Stamp
2014 SEP 23 AM 11:46
CITY OF LOS ANGELES

City Clerk's Time Stamp
CITY CLERK'S OFFICE
2014 SEP 23 AM 11:42
CITY CLERK
BY _____ DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 13-1313

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE September 19, 2014

RE: AUTHORIZATION TO ISSUE UP TO \$271 MILLION IN WATER SYSTEM REVENUE BONDS BY THE LOS ANGELES DEPARTMENT OF WATER AND POWER PURSUANT TO CHARTER SECTION 609

LAST DAY FOR MAYOR TO ACT OCT 03 2014
(10 Day Charter requirement as per Charter Section 341)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

APPROVED

✓

*DISAPPROVED

*Transmit objections in writing
pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL 9/22/14

E. G. ...
MAYOR

BY _____ DEPUTY
CITY CLERK
2014 SEP 30 PM 3:42
CITY CLERK'S OFFICE

4 ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to authorizing the issuance of up to \$271 million of Water System Revenue Bonds by the Los Angeles Department of Water and Power (LADWP) pursuant to Charter Section 609.

Recommendation for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

CONCUR with the Board of Water and Power Commissioners' (Board) action of August 19, 2014, Resolution No. 4882, authorizing the issuance of up to \$271 million of Water System Revenue Bonds pursuant to Charter Section 609 and Los Angeles Administrative Code (LAAC) Sections 11.28.1 through 11.28.9.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no direct impact on the City's General Fund. Approval of the recommended action will authorize the LADWP to issue \$271 million of Water System Revenue Bonds to finance a portion of its capital improvements program for Fiscal Year (FY) 2014-15. The LADWP estimates that the net impact of this issuance will be to increase debt service costs of the Water Revenue Fund by approximately \$17.5 million annually. The costs of proposed bond issuance are estimated at \$1.34 million, i.e. underwriter's discount; bond and disclosure counsels, financial advisor; ratings agencies fees, and printing costs.

Community Impact Statement: None submitted.

TIME LIMIT FILE - SEPTEMBER 21, 2014

(LAST DAY FOR COUNCIL ACTION - SEPTEMBER 19, 2014)

Summary:

On September 17, 2014, your Committee considered August 20, 2014 Board and July 21, 2014 CAO reports and Resolution No. 4882 relative to authorizing the issuance of up to \$271 million of Water System Revenue Bonds. According to the CAO, the LADWP is requesting approval of the Resolution No. 4882 (Resolution) which authorizes the issuance of \$271 million in Water System Revenue Bonds, in order to finance a portion of the Water System's FY 2014-15 Capital Improvements Program/The LADWP Water System multi-year Capital Program focuses on critical projects necessary to comply with increasing water quality standards; protect existing water supplies; expand and upgrade the existing water distribution system; and develop new water resources.

The LADWP states that the Resolution is an initial resolution of the Board, which sets forth the purpose for future indebtedness and establishes the maximum limit as to principal, interest costs, and term. The Resolution also provides for the private sale of the bonds to one or more underwriting firms selected by the Board pursuant to City Charter Section 609 (d) and LAAC Section 11.28.4(b) of the Procedural Ordinance. The bonds will be Water System Revenue Fund obligations and will not constitute an obligation of the City or the General Fund. The City Attorney has approved the proposed resolution as to form and legality.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend the Council concur with the Board's August 19, 2014 action. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'RLH' with a flourish at the end.

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLEUMENFIELD:	YES
LABONGE:	YES
HUIZAR:	ABSENT
KORETZ:	ABSENT

ARL
9/17/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-

ADOPTED
SEP 19 2014
LOS ANGELES CITY COUNCIL