



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 15 - 0087  
MAR 25 2015

REPORT RE:

**REVISED DRAFT ORDINANCE TO APPROVE RESOLUTIONS AUTHORIZING  
THE ESTABLISHMENT OF A JOINT POWERS AUTHORITY FOR  
WATER PROJECT FINANCING**

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 revised draft ordinance, approved as to form and legality. This revised draft ordinance reflects changes requested by the Energy & Environment Committee of the Los Angeles City Council. This revised draft ordinance would approve Resolution No. 015-151 and Resolution No. 015 168, authorizing the formation of a Joint Powers Authority (JPA) to finance certain Los Angeles Department of Water and Power (LADWP) water system capital projects.

Energy & Environment Committee

At the Energy & Environment Committee meeting held on March 4, 2015, the Committee requested that LADWP provide a revision to the draft ordinance specifying that each Board resolution authorizing a financing application shall also receive approval of the City Council before it is submitted to the JPA. This revised draft ordinance provides for this multi-tiered approval process.

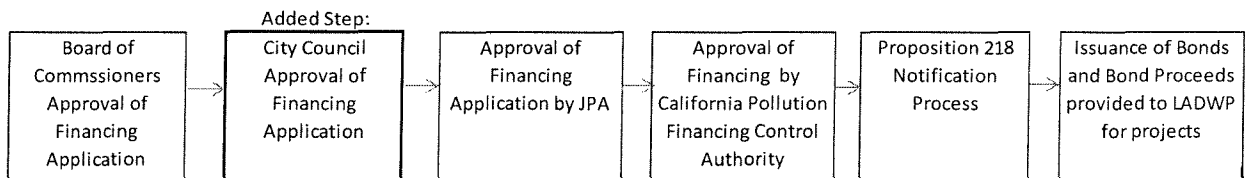
The March 10, 2015, letter of the Board of Water and Power Commissioners (Board) and Resolution No. 015 168 specify that the Board and City Council will be

required to approve each financing application through the JPA. This revised draft ordinance also specifies that each financing application will require City Council approval, with the following revised section:

“Section 4. The Board of Water and Power Commissioners is hereby authorized to make applications to the Authority to finance utility projects pursuant to Government Code Section 6588.7 in accordance with the requirements of this Section 4. In the event the Board elects to finance costs of utility projects pursuant to Government Code Section 6588.7, the Board shall adopt a resolution specifying the utility project or projects to be financed by rate reduction bonds and the maximum principal amount, the maximum interest rate and the maximum stated terms of the rate reduction bonds as required by Government Code Section 6588.7(b)(1) and making the findings required by Government Code Section 6588.7(c). The Board shall thereafter submit such resolution to the City Council for approval, and upon City Council approval, shall submit an application to the Authority to finance costs of utility projects specified in the Board resolution with rate reduction bonds.”

A simplified overview of the steps that would be involved in the financing process is provided below:

Simplified Overview of Steps in Financing through JPA



### Charter Requirements

This revised draft ordinance is transmitted for your approval pursuant to Article 6 of the City Charter and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with Section 6500), after approval by the Board.

### CEQA Findings

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the establishment of a joint powers authority is pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3).

Recommendation

Based on the foregoing, it is requested that the City Council adopt the enclosed revised draft ordinance. A copy of the CAO report, Board letters and attachments, and Resolutions are included in the Council File.

Council Rule 38 Referral

Pursuant to Council Rule 38, a copy of the revised draft ordinance has been presented to the Board of Water and Power Commissioners.

If you have any questions regarding this matter, please contact Assistant City Attorney Richard Tom at (213) 367-4580. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON  
Chief Assistant City Attorney

DM/RT:me  
Transmittal