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ENERGY AND ENVIRONMENT COMMITTEE REPORT, RESOLUTIONS and ORDINANCE FIRST CONSIDERATION relative to the issuance of Los Angeles Wastewater System Subordinate Revenue Refunding Bonds, Series 2017 (Green Bonds).

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

1. ADOPT the accompanying TWENTY-FIRST SUPPLEMENTAL SUBORDINATE GENERAL RESOLUTION (Attachment A of the City Administrative Officer (CAO) report dated March 30, 2017, attached to the Council file), including various documents required to execute the transactions, and authorizes the CAO to take certain actions required to manage the transactions, including costs of issuance.
2. INSTRUCT the City Clerk to place on the Council agenda on **April 19, 2017**, or an alternate date as specified by the CAO, the adoption of (a) the TWENTY-SECOND SUPPLEMENTAL RESOLUTION (Attachment A of the CAO report dated April 4, 2017) to amend the Wastewater System Subordinate Revenue Bonds General Resolution and (b) the TWENTY-NINTH SUPPLEMENTAL RESOLUTION (Attachment B of the CAO report dated April 4, 2017) to amend the Wastewater System Revenue Bonds General Resolution.
3. PRESENT and ADOPT the accompanying ORDINANCE, dated March 22, 2017, providing for the issuance of subordinate bonds for the Wastewater System and amending Section 5.168.1 of the Los Angeles Administrative Code to add related special funds.
4. AUTHORIZE the CAO to make technical changes to implement the intent of the Council and Mayor.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund as a result of the recommended Los Angeles Wastewater System Subordinate Revenue Refunding Series 2017 bond issue. The debt service on the Wastewater System Revenue Bonds is paid from the Sewer Construction and Maintenance Fund. The costs of issuance will be paid from bond proceeds. The CAO also notes that there is no impact to the General Fund as a result of the Supplemental Resolutions.

Debt Impact Statement: The CAO also reports that there is no debt impact to the City's General Fund from the approval of the recommendations in the CAO report as debt service on Wastewater System Revenue Bonds (including the Series 2017 Bonds) are paid from the Sewer Construction and Maintenance Fund. The issuance of approximately \$229 million in Series 2017 -A bonds (new money for future capital needs) is currently expected to result in the City paying a total of approximately \$459 million, including \$230 million in interest, over 30-years at a True Interest Cost of approximately 3.85%. The average annual debt service of \$15.28 million over the 30-years for these bonds will be paid from the Sewer Construction and Maintenance Fund. The proposed refunding transactions (the Series 2017-B and 2017-C (Taxable) bonds) are expected to generate savings of approximately \$21.8 million over the life of these bonds for the Sewer Construction and Maintenance Fund. These borrowing amounts and interest rates are based on current market conditions. Actual borrowing amounts and interest rates are subject to

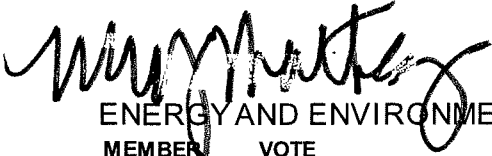
change based on market conditions at the time that the Series 2017 Bonds are sold. The CAO notes there is no debt impact to the City's General Fund as a result of the Supplemental Resolutions.

Community Impact Statement: None submitted.

Summary

At a regular meeting held on April 5, 2017, the Energy and Environment Committee considered CAO and City Attorney reports, Resolutions, and Ordinance relative to the issuance of Los Angeles Wastewater System Subordinate Revenue Refunding Bonds, Series 2017 (Green Bonds). CAO and City Attorney staff gave the Committee background information on the matter. After an opportunity for public comment, the Committee recommended that Council approve the Resolutions, Ordinance, and the recommendations contained in the CAO and City Attorney reports. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,



ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
MARTINEZ:	YES
BLUMENFIELD:	YES
CEDILLO:	YES
KORETZ:	YES
O'FARRELL:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-