

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your ENERGY AND ENVIRONMENT COMMITTEE

reports as follows:

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to the issuance of up to \$650 million in Power System Revenue Bonds, to finance a majority of the Power System's capital improvement program for fiscal year 2012-2013.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' action of July 17, 2012, Resolution No. 4844, approving the issuance of up to \$650 million in Power System Revenue Bonds, to finance a majority of the Power System's capital improvement program for fiscal year 2012-2013, in accordance with the provisions of Charter Section 609 and Article 6.5 of the Los Angeles Administrative Code Sections 11.28.1 to 11.28.9.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the recommended action will authorize the Los Angeles Department of Water and Power to issue up to \$650 million of Power System Revenue Bonds to finance a portion of its capital improvements program for fiscal year 2012-13. The Los Angeles Department of Water and Power estimates the net impact of this issuance will be to increase debt service costs of the Power System Revenue Fund by approximately \$41 million annually. One-time costs of issuance from the Power System Revenue Fund are estimated at approximately \$3.43 million. One-time costs consist of underwriter's discount; bond and disclosure counsels, financial advisor, and ratings agencies fees. Approval of the proposed resolution will have no impact on the City's General Fund.

Community Impact Statement: None submitted.

Summary:

On August 15, 2012, the Energy and Environment Committee considered a July 17, 2012 Board of Water and Power Commissioners' report, and Resolution No. 4844, approving the issuance of up to \$650 million in Power System Revenue Bonds, to finance a majority of the Power System's capital improvement program for fiscal year 2012-2013, in accordance with the provisions of Charter Section 609 and Article 6.5 of the Los Angeles Administrative Code Sections 11.28.1 to 11.28.9.

Los Angeles Department of Water and Power representatives provided an overview of their request. After providing an opportunity for public comment, the Committee recommended that Council concur with the Board of Water and Power Commissioners' action, as reflected above. This matter is now submitted to Council for its consideration.

Respectfully submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
HUIZAR:	YES
ZINE:	YES
CÁRDENAS:	ABSENT
ALARCÓN:	ABSENT
KORETZ:	YES

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