

ORDINANCE NO. 182531

An ordinance amending Chapter 1 of Division 11 of the Los Angeles Administrative Code to add a new Article 6.7 to establish procedures for the issuance and sale of revenue bonds for the City's wastewater system.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A new Article 6.7 is added to Chapter 1 of Division 11 of the Los Angeles Administrative Code to read as follows:

Sec. 11.28.12. Power of the Council.

The Council, exercising the powers reserved to the City under the Constitution of the State of California, and its powers under Section 361 of the Charter of the City, may determine that revenue bonds, notes and other indebtedness or obligations (collectively, "Bonds") shall be issued as provided in this Article for the purpose of financing project costs, refunding outstanding Bonds, establishing reserves and paying costs of issuance in connection with such Bonds, payable from the City's Sewer Construction and Maintenance Fund, Sewer Operation and Maintenance Fund and Sewer Capital Fund (collectively, "SCM Fund"), established pursuant to Article 4 of Chapter 6 of the Los Angeles Municipal Code.

**Sec. 11.28.13. Authorization Pursuant to Wastewater System Revenue Bonds
General Resolution and Wastewater System Subordinate Revenue Bonds
General Resolution.**

Whenever the Council deems it necessary for the City to incur a bonded indebtedness under this article, it may adopt a supplemental resolution (Supplemental Resolution) pursuant to the Wastewater System Revenue Bonds General Resolution, adopted by the Council on November 10, 1987, as amended and supplemented (General Resolution), or the Wastewater System Subordinate Revenue Bonds General Resolution, adopted by the Council on March 26, 1991, as amended and supplemented (Subordinate General Resolution), as applicable, pursuant to which the City has previously issued Bonds. The City may continue to issue Bonds in the form of notes pursuant to the Subordinate General Resolution, as amended and supplemented as of the effective date of this Article. When issuing Bonds pursuant to this Section 11.28.13, the City shall not be required to comply with Sections 54300, *et seq.*, of the California Government Code (Revenue Bond Law of 1941), unless required by the Charter.

Sec. 11.28.14. Authorizing Resolution.

Whenever the Council deems it necessary for the City to incur a bonded indebtedness under this Article and determines that such bonded indebtedness will not be issued pursuant to Section 11.28.13 of this Article, the Council shall adopt a resolution (Authorizing Resolution) which shall, at a minimum:

- (a) State that the Council deems it necessary to incur the bonded indebtedness and authorizes the issuance of Bonds; and
- (b) Specify the amount or maximum amount of the bonded indebtedness to be incurred or, for refunding bonds, specify the interest rate savings requirements to be met; and
- (c) State the maximum term of the Bonds to be issued; and
- (d) Specify the maximum rate of interest which the Bonds shall bear or accrue, which interest may be either fixed or variable or a combination thereof.

In addition, the Council shall provide in such resolution for the issuance of the Bonds pursuant to an indenture, trust agreement, paying agent agreement or other agreement, as the same may be amended or supplemented (Financing Agreement). Such Financing Agreement may, among other things, prescribe the form of the Bonds, the time and place for payment of the principal and interest on [or accreted value of] the Bonds, may provide for events of default and the rights and remedies arising from any such defaults, and may provide for the redemption of the Bonds issued under this Article before maturity at determined prices. No provision of such Financing Agreement shall be inconsistent with the provisions of the General Resolution or the Subordinate General Resolution, or impair the Security of the bondholders thereunder, while any bonds remain outstanding thereunder, unless the City receives an opinion from nationally recognized municipal bond counsel that such Financing Agreement is authorized under the resolution.

Sec. 11.28.15. Sale of the Bonds.

The City may sell the Bonds in one or more series on a taxable and/or tax-exempt basis at such times and in such manner as the Council deems to be in the public interest and in compliance with the Charter, and such Bonds may be sold by competitive sale or by private sale at a price above or below par with such terms and conditions as shall be acceptable to the Council.

Sec. 11.28.16. Signature; Countersignatures.

The Bonds shall be signed and authenticated by the person(s) authorized to do so in the Supplemental Resolution or the Authorizing Resolution, as applicable. All signatures and countersignatures may be made by facsimile, printed or otherwise mechanically reproduced, except that one signature must be manual. If any officer whose signature appears on the Bonds ceases to be an officer before the delivery of such Bonds, his or her signature shall be as effective as if he or she had remained in office.

Neither the members of the Council nor any official or employee of the City nor any person executing the Bonds shall be liable personally on such Bonds or be subject to any personal liability or accountability by reason of the issuance of such Bonds.

Sec. 11.28.17. Related Powers.

The Financing Agreement may provide for vesting in a trustee the right to receive revenues from the SCM Fund and to enforce covenants set forth in the Financing Agreement. The Council may further provide in the Financing Agreement for other acts and things which it deems necessary, convenient or desirable to provide for the issuance of the Bonds (whether pursuant to a Supplemental Resolution or an Authorizing Resolution), tending to make them more marketable, including, but not limited to, the provision of bond insurance or other credit support for the Bonds.

Sec. 11.28.18. Bonds as Special Obligations of the City.

The Bonds shall be special, limited obligations of the City payable from the revenues of the Wastewater System and amounts on deposit in the SCM Fund [and any other fund or account specified in the Supplemental Resolution or the Financing Agreement]. The City is not obligated to make payment on the Bonds from any other sources. The Bonds shall not be payable from the general fund of the City and shall not constitute a general obligation of the City, and neither the full faith and credit nor the taxing power of the City shall be pledged to the payment of any amounts due on the Bonds. Nothing in this Article, however, shall preclude the City from voluntarily advancing any other lawfully available moneys to the payment of principal, premium or interest on the Bonds.

Sec. 11.28.19. Amendment of Article.

This Article shall not be amended or supplemented to have a material adverse effect upon the rights of the holders of any outstanding Bonds without the written consent of such holders, except as follows: (i) if this Article is amended or supplemented to cure an ambiguity or to correct or supplement a defective provision; or (ii) if the Council finds that such amendment or supplement will not materially impair or adversely affect the City's interests and Bond Counsel renders an opinion to the effect that such amendment or supplement will not materially impair or adversely affect the interests of any such holder; or (iii) if the amendment or supplement will apply solely to Bonds issued after the amendment's effective date.

Sec. 11.28.20. Action to Determine Validity of Bonds.

An action may be brought by the City to determine the validity of the Bonds pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the California Code of Civil Procedure.

Sec. 11.28.21. Requirements of Constitution.

The Bonds shall not constitute indebtedness of the City for purposes of Section 18 of Article XVI of the California Constitution.

Sec. 11.28.22. Partial invalidity.

If, for any reason, any part of this Article is invalid, then all valid parts that are severable from the invalid part remain in effect.


Sec. 11.28.23. Alternative Method.

This Article provides a complete alternative method of issuing Bonds and the provisions set forth herein do not preclude the Council from issuing Bonds under powers conferred by any other law; provided, that nothing in this Article shall be construed in a manner inconsistent with the provisions of the General Resolution or the Subordinate General Resolution while any Bonds remain outstanding under either resolution.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located in the Main Street lobby to the City Hall; one copy on the bulletin board located at the Main Street entrance to Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of MAY 07 2013.

JUNE LAGMAY, City Clerk

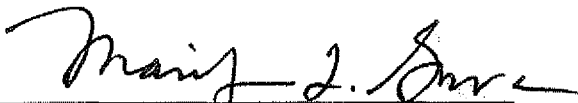
By  Deputy

Approved MAY 07 2013

 Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By 
MARILYN L. GARCIA
Assistant City Attorney

Date: March 22, 2013

File No. 13-0414