

12/1/15

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to the establishment and maintenance of a revolving Line of Credit (LOC) for the Los Angeles Department of Water and Power (LADWP), Water and Power Systems.

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

1. CONCUR with the Board of Water and Power Commissioner's (Board) action of October 20, 2015, Resolution No. 4900, authorizing the LADWP to establish and maintain a revolving line of credit up to a combined \$500 million for the Water and Power Systems with a contractual term up to three years, subject to renewal by the Board.
2. INSTRUCT the LADWP to submit a report to the Council, in addition to the Board, following the utilization of an LOC.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact on the City or the General Fund. Approval of the proposed resolution will authorize the LADWP to establish and maintain a revolving LOC up to a combined \$500 million for the Water and Power Systems. It is estimated that the annual fee for establishing and maintaining a \$300 million or \$500 million LOC will be approximately \$375,000 or \$625,000. If funds are drawn, the repayment of principal and interest will be paid by the Water Revenue Fund or Power Revenue Fund.

Community Impact Statement: None submitted.

Summary

At the public hearing held on November 18, 2015, the Energy and Environment Committee considered reports from Board of Water and Power Commissioners and CAO, and Resolution No. 4900 relative to authorizing the LADWP to establish and maintain a revolving line of credit up to a combined \$500 million for the Water and Power Systems. Staff from LADWP and CAO gave the Committee background information on the matter. After an opportunity for public comment, the Committee recommended that Council approve the Resolution and authorize the establishment and maintenance of a revolving LOC for the LADWP, Water and Power Systems. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

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

-NOT OFFICIAL UNTIL COUNCIL ACTS-