

ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE, AND RIVER COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to the issuance of a subordinate bond to support the Donald C. Tillman Advanced Water Purification Facility and Groundwater Replenishment Project through private placement with the United States Environmental Protection Agency's Series 2021 Water Infrastructure Finance and Innovation Act (WIFIA) Bond Program; and amending the Los Angeles Administrative Code (LAAC) to add special funds related to the Series 2021 WIFIA Bond.

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

1. PRESENT and ADOPT the accompanying ORDINANCE dated August 10, 2021, providing for issuance of a subordinate bond for the Wastewater System through a private placement with the United States Environmental Protection Agency (Series 2021 WIFIA Bond) and amending Sections 5.168.1(a) and 5.168.1(d) of the LAAC to add special funds related to the 2021 WIFIA Bond.
2. ADOPT the Twenty-Sixth Supplemental Subordinate General Resolution, which includes findings related to the private placement of the Series 2021 WIFIA Bond, approval of the form of the WIFIA Loan Agreement, authorization for the City Administrative Officer (CAO) to execute and enter into the WIFIA Loan Agreement, execution of various documents required to consummate the transaction, and authorizes the CAO to take necessary actions required to manage the transaction.
3. AUTHORIZE the CAO to make technical changes and adjustments necessary to those transactions included in this report and to implement the intent of the Mayor and City Council.

Fiscal Impact Statement: None submitted by the City Attorney. The CAO reports that there is no impact to the General Fund as a result of the recommended Los Angeles Wastewater System Subordinate Series 2021 WIFIA Bond as debt service is paid solely from the Sewer Construction and Maintenance Fund.

Financial Policies Statement: The CAO reports that the recommendations comply with the City's Financial Policies in that debt service on the Los Angeles Wastewater System Subordinate Series 2021 WIFIA Bond will be paid from the Sewer Construction and Maintenance Fund.

Debt Impact Statement: The CAO reports that there is no debt impact to the City's General Fund from the approval of the recommendations in this report as debt service on the Wastewater System Revenue Bonds (including the Los Angeles Wastewater System Subordinate Series 2021 WIFIA Bond) are paid from the Sewer Construction and Maintenance Fund. The issuance of approximately \$224 million in Los Angeles Wastewater

System Subordinate Series 2021 WIFIA Bond is currently expected to result in the City paying a total of approximately \$320 million, including \$96 million in interest, over 30 years at a true interest cost of approximately 2.25 percent. Debt service payments will commence on December 1, 2026. The City will only pay interest for the first five years (approximately \$5,038,223 annually), followed by relatively level debt service payments thereafter of approximately \$11,808,696 (annually). Debt service amounts are conservatively estimated, subject to the receipt of a final debt service schedule from the United States Environmental Protection Agency upon the effective date of the loan.

Community Impact Statement: None submitted.

Summary:

On August 19, 2021, your Committee considered a CAO and City Attorney reports, and a draft Ordinance relative to the issuance of a subordinate bond to support the Donald C. Tillman Advanced Water Purification Facility and Groundwater Replenishment Project through private placement with the United States Environmental Protection Agency's Series 2021 WIFIA Bond Program; and amending the LAAC to add special funds related to the Series 2021 WIFIA Bond. The reports attached to the file include some background on the matter.

After providing an opportunity for public comment, the Committee moved to approve the recommendations reflected above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE, AND RIVER COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
O'FARRELL:	YES
RIDLEY-THOMAS:	YES
KORETZ:	YES
DE LEON:	YES
KREKORIAN:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-