



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. **24-0436**
SEP 04 2024

REPORT RE:

DRAFT ORDINANCE AMENDING SECTION 5.168.1 OF ARTICLE 5, CHAPTER 9, DIVISION 5 OF THE LOS ANGELES ADMINISTRATIVE CODE TO PROVIDE FOR THE ISSUANCE OF A REPLACEMENT SUBORDINATE BOND - WASTEWATER SYSTEM SUBORDINATE REVENUE BOND, SERIES 2021 (WIFIA), AND THE CREATION OF A CONSTRUCTION FUND TO RECEIVE PROCEEDS OF THE WIFIA BOND

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 20-1176

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality, in connection with the City's Wastewater System revenue bond program. This draft ordinance provides for 1) the issuance of a replacement subordinate bond designated as the Wastewater System Subordinate Revenue Bond, Series 2021 (WIFIA) in connection with an amendment to a loan agreement originally executed with the United States Environmental Protection Agency (Original WIFIA Loan Agreement) under the authority of the Water Infrastructure Finance and Innovation Act, as amended, in 2021; and 2) the establishment of a related construction fund. As to the latter, the draft ordinance adds Subdivision (36) to Subsection (d) of Section 5.168.1 of the Los Angeles Administrative Code in order to create a construction fund to receive proceeds of the WIFIA bond. Proceeds in the fund will be used to finance the capital costs of the Donald C. Tillman Water Reclamation Plant Project (DCTWRP Project).

As previously authorized by this Council, the Original WIFIA Loan Agreement was executed, and the related bond was issued, for the purpose of financing and/or refinancing a new advanced water purification facility and other facilities at the DCTWRP Project. Due to the revised funding plan for the DCTWRP Project, the Original Loan Agreement needs to be amended to incorporate a different loan amortization schedule. As a result, the City is required to issue the replacement WIFIA bond with a final maturity date that is one year shorter than the original bond issued – from June 1, 2056 to June 1, 2055, on account of the revised amortization schedule that is to be incorporated into the amended Original Loan Agreement.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the Chief Legislative Analyst and the Office of the City Administrative Officer. Their comments have been incorporated.

If you have any questions regarding this matter, please contact Deputy City Attorney Amy Pham at (213) 978-7788. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By



MICHAEL J. DUNDAS
Senior Assistant City Attorney

MJD:APP:vw
Transmittal