

BUDGET AND FINANCE COMMITTEE REPORT and RESOLUTIONS relative to the extension of the credit facilities for the Los Angeles Wastewater System Commercial Paper Program.

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

1. ADOPT the accompanying Amended and Restated First Supplemental RESOLUTION (Attachment A of the City Administrative Officer (CAO) report dated September 9, 2021), which supplements and amends the Wastewater System Subordinate Revenue Bonds General Resolution and certain Supplemental Resolutions thereto previously adopted by the City Council on March 26, 1991, and amends and restates the Original First Supplemental Resolution to eliminate the need to amend the definitions or other terms of the Original First Supplemental Resolution to conform to the mechanical provisions relating to Advances under the Credit Agreements or to conform to the repayment terms of the Credit Agreements and the Bank Notes by Supplemental Resolution in connection with each substitution or extension, and to consolidate all of the amendments contained in the Previous Commercial Paper Supplemental Resolutions.
2. ADOPT the accompanying Authorizing RESOLUTION (Attachment B of said CAO report), which authorizes, among other things, the negotiation, execution, and delivery of certain legal documents (Attachments C through I of said CAO report) in connection with the expansion of the Los Angeles Wastewater System Commercial Paper Program through the increase of the stated amounts of the letters of credit with Barclays Bank PLC and Toronto-Dominion (TD) Bank, New York Branch and the extension of the expiration dates of such letters of credit.
3. AUTHORIZE the CAO to make technical changes and adjustments as necessary to those transactions in this report and to implement the intent of the Mayor and the City Council.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund from the approval of the proposed recommendation to extend and increase the stated amounts of the Credit Facilities for the Wastewater System Commercial Paper Program as the Letter of Credit (LOC) fees, interest costs, and other fees associated with this transaction are budgeted in the Sewer Construction and Maintenance Fund for Fiscal Year 2021-22.

Financial Policies Statement: The CAO reports that the recommendations in this report comply with the City's Financial Policies in that all fees, interest and principal related to the Los Angeles Wastewater Commercial Paper Program will be paid from the Sewer Construction and Maintenance Fund.

Debt Impact Statement: The CAO reports that there is no impact to the General Fund from the approval of the proposed recommendation to extend and increase the stated amounts of the Credit Facilities for the Wastewater System Commercial Paper Program as the interest costs associated with this transaction are budget in the Sewer Construction and Maintenance Fund for Fiscal Year 2021-22. The total LOC fees for both Barclays and TD Bank, assuming a \$250 million Los Angeles Wastewater Commercial Paper Program increase to \$400 million, as proposed, is estimated to be \$948,000 through October 2022.

Community Impact Statement: None submitted

SUMMARY:

At its regular meeting held on September 27, 2021, the Budget and Finance Committee considered a CAO report attached to the Council file, relative to the extension of the credit facilities for the Los Angeles Wastewater System Commercial Paper Program.

After providing an opportunity for public comment, the Budget and Finance Committee recommended that the Council approve the recommendations and resolutions in the CAO report. This matter is forwarded to Council for its consideration.

Respectfully Submitted,



BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
BLUMENFIELD:	YES
DE LEÓN:	YES
RODRIGUEZ:	YES
PRICE:	YES

MM 9/27/21 Council file No. 21-0997

-NOT OFFICIAL UNTIL COUNCIL ACTS-