

RESOLUTION NO. _____

WHEREAS, the Los Angeles Department of Water and Power (LADWP) is committed providing its customers with reliable, high quality, and competitively priced water services in a safe and publicly and environmentally responsible manner; and

WHEREAS, LADWP is developing and implementing capital improvement projects to ensure a dependable, safe, and high-quality water supply for the City of Los Angeles (City); and

WHEREAS, LADWP's Western Trunk Line Replacement Project will replace a segment of the Harbor Trunk Line, which is nearing the end of its service life; and

WHEREAS, Western Trunk Line will be constructed in multiple phases; and

WHEREAS, Western Trunk Line Phase 1 (Project) involves the planning, design, and construction of approximately 8,500 feet of welded steel and earthquake resistant ductile iron pipe; and

WHEREAS, the Project will provide increased reliability and resiliency by replacing aging water infrastructure; and

WHEREAS, LADWP desires to finance the costs of constructing and/or reconstructing treatment facilities, pipelines, and other infrastructure, including the Project; and

WHEREAS, LADWP is actively pursuing external funding, including funds provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board), for Water System capital improvement projects, particularly those required for compliance with federal and state safe drinking water regulations; and

WHEREAS, since 1999, LADWP has been awarded a total of \$1,367,550,946 in funding from the Safe Drinking Water State Revolving Fund (DWSRF) through State Water Board. That amount includes \$45,000,000 in 100 percent principal forgiveness awards under the American Recovery and Reinvestment Act of 2009 and \$14,400,000 in grants from the base DWSRF; and

WHEREAS, LADWP intends to finance the construction of the Project or portions of the Project with moneys (Project Funds) provided by the State of California, acting by and through the State Water Board; and

WHEREAS, State Water Board may fund the Project Funds with proceeds from the sale of obligations (Obligations) the interest upon which is excluded from gross income for federal income tax purposes; and

WHEREAS, prior to the issuance of the Obligations or approval by the State Water Board of the Project Funds, LADWP will incur certain capital expenditures (Expenditures) with respect to the Project; and

WHEREAS, LADWP may be reimbursed for the Expenditures from the proceeds of the Obligations; and

WHEREAS, pursuant to the guidelines of the DWSRF program, prior to execution of DWSRF financing agreements, a Board Resolution is required to establish the eligibility of specified Project costs for reimbursement from DWSRF.

NOW THEREFORE BE IT RESOLVED, LADWP states its intention and reasonably expects to be reimbursed for Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

BE IT FURTHER RESOLVED, the reasonably expected maximum principal amount of the Project funds is \$100,000,000.

BE IT FURTHER RESOLVED, that this Resolution is being adopted no later than 60 days after the date on which LADWP will expend moneys for the construction portion of the above projects to be reimbursed with Project Funds.

BE IT FURTHER RESOLVED, that each Project expenditures will be of a type properly chargeable to a capital account under general federal income tax principles.

BE IT FURTHER RESOLVED, that the Board, to the best of its knowledge, is not aware of the previous adoption of official intents that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

BE IT FURTHER RESOLVED, that this Resolution is being adopted by the Board in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a Resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

Secretary

APPROVED AS TO FORM AND LEGALITY
HYDEE FELDSTEIN SOTO, CITY ATTORNEY
February 19, 2025

Mark S. Reusch

BY _____

MARK S. REUSCH
Deputy City Attorney