



**PUBLIC SERVICE BOARD MEETING  
AGENDA ITEM  
REGULAR MEETING**

**Wednesday, March 09, 2022**

**SUBJECT**

Request City Council Authorization of The Issuance of Up to \$356,325,000 of City of El Paso, Texas, Water and Sewer System Revenue Improvement and Refunding Bonds, Series 2022.

**BACKGROUND**

EPWater currently has a Revolving Credit Agreement with Bank of America N.A. for the Water and Sewer Commercial Paper Notes Program in the amount of \$80,000,000. The Commercial Paper Program is a short-term variable rate financing tool utilized by the Utility to finance a portion of its Capital Improvement Program (CIP). The Series 2022 bonds will pay off \$80,000,000 of Commercial Paper Notes. In addition, the Utility is requesting to issue the Series 2022 bonds to fund approximately \$273,006,000 of CIP projects approved for Fiscal Year 2022-23, plus bond issuance costs.

**STRATEGIC OBJECTIVES SUPPORTED**

Strengthen Financial Viability

**EVALUATION PROCESS**

EPWater's Audit, Finance and Investment Committee met on March 4, 2022, to review the bond issue proposals and request City Council to approve the following parameters as recommended:

- Maximum True Interest Cost – 4.00%
- Aggregate Principal Amount of Issue - \$356,325,000
- Final Maturity Date – December 31, 2052
- Expiration of Delegated Authority – 6 months

**FINANCIAL IMPLICATIONS**

Series 2022 bonds will pay off \$80,000,000 of outstanding Commercial Paper Notes and fund approximately \$273,006,000 for CIP projects approved for Fiscal Year 2022-23 and bond issuance costs.

**PROPOSED ACTION REQUESTED**

Adopt a resolution requesting City Council to authorize the issuance of up to \$356,325,000 of City of El Paso, Texas, Water and Sewer Revenue Improvement and Refunding Bonds, Series 2022 to pay off \$80,000,000 in Commercial Paper Notes, to fund approximately \$273,006,000 of CIP projects approved for Fiscal Year 2022-23, and to fund interest and related transaction costs, provided that certain pricing parameters, as set forth in the City's bond ordinance, are met.

**SUPPORTING DOCUMENTATION PROVIDED**

- Resolution

## RESOLUTION

**A RESOLUTION REQUESTING THAT THE EL PASO CITY COUNCIL AUTHORIZE THE ISSUANCE OF UP TO \$356,325,000 OF CITY OF EL PASO, TEXAS, WATER AND SEWER REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2022 TO PAY OFF \$80,000,000 IN COMMERCIAL PAPER NOTES, FUND APPROXIMATELY \$273,006,000 OF CAPITAL IMPROVEMENT PROGRAM PROJECTS APPROVED FOR FISCAL YEAR 2022-2023, AND FUND RELATED TRANSACTION COSTS; PROVIDED THAT CERTAIN PARAMETERS ARE MET.**

**WHEREAS**, the El Paso Water Utilities Public Service Board, was established on May 22, 1952, by Ordinance No. 752 of the City of El Paso (“City”) for the purpose of the Public Service Board having complete authority and control of the management and operation of the water and wastewater system in order to provide potable water and wastewater collection and treatment (the “System”); and

**WHEREAS**, there have been filed with the City Council one or more resolutions adopted and approved by the Public Service Board requesting the City Council to approve the issuance and sale of the City’s revenue bonds for the purpose; and

**WHEREAS**, the Public Service Board hereby finds and determines that it is in the best interest of the City and the System to refund certain of the City’s previously issued and outstanding System revenue commercial paper notes (the “Refunded Commercial Paper Notes”) for the purposes of making such debt long-term fixed debt of the City; and

**WHEREAS**, in combination with the revenue bonds issued to refund the Refunded Commercial Paper Notes, the Public Service Board hereby finds and determines that it is in the best interest of the System to fund approximately \$273,006,000 of El Paso Water’s Water and Wastewater approved Capital Improvement Program for Fiscal Year 2022-2023 with this bond issue; and

**WHEREAS**, the Public Service Board requests the City to authorize the issuance of up to \$356,325,000 of City of El Paso, Texas, Water and Sewer Revenue Improvement and Refunding Bonds, Series 2022 which includes related transaction costs.

**NOW, THEREFORE, BE IT RESOLVED BY THE EL PASO WATER UTILITIES PUBLIC SERVICE BOARD OF THE CITY OF EL PASO, TEXAS:**

**Section 1.** That the findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the Public Service Board and made a part of this Resolution for all purposes.

**Section 2.** That El Paso Water Utilities Public Service Board hereby requests City Council to authorize the issuance of up to \$356,325,000 of City of El Paso, Texas, Water and Sewer Revenue Improvement and Refunding Bonds, Series 2022 (i) to pay off \$80,000,000 in commercial paper notes, (ii) to fund approximately \$273,006,000 of El Paso Water’s Water and Wastewater approved Capital Improvement Program for Fiscal Year 2022-2023, and (iii) to fund

interest and related transaction costs; provided that certain pricing parameters as set forth in the City's bond ordinance are met.

**PASSED AND APPROVED at the regular meeting of the Public Service Board, this 9th day of March, 2022,** at which meeting a quorum was present and which was held in accordance with the provisions of Texas Government Code, Sections 551.001, et. seq.

ATTEST:

EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

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Kristina D. Mena, Chair

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Bryan Morris, Secretary/Treasurer

APPROVED AS TO CONTENT:

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Arturo Duran  
Chief Financial Officer

APPROVED AS TO FORM:

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Daniel Ortiz  
General Counsel