



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

Wednesday, March 09, 2022

SUBJECT

Request City Council to Approve the Issuance of \$9,490,000 of City of El Paso, Texas, Municipal Drainage Utility System Revenue Bonds, Series 2022; Authorize President/CEO or Designee to Sign a Grant Agreement and Related Documents for the Will Ruth Pond and Conveyance Improvement Project

BACKGROUND

The Public Service Board (Board), acting on behalf of the City, filed an application seeking financial assistance in the amount of \$14,600,000 from the Flood Infrastructure Fund program of the Texas Water Development Board (TWDB) to finance the Will Ruth Pond and Conveyance Improvement project. On February 2, 2022, the TWDB adopted a resolution approving a \$14,600,000 commitment to the Board, acting on behalf of the City, for financial assistance in the form of the proposed purchase of \$9,490,000 of City of El Paso, Texas, Municipal Drainage Utility System Revenue Bonds, Series 2022, and a grant of \$5,110,000.

STRATEGIC OBJECTIVES SUPPORTED

Strengthen Financial Viability

EVALUATION PROCESS

EPWater filed an application seeking financial assistance in the amount of \$14,600,000 from the Flood Infrastructure Fund program of the Texas Water Development Board to finance the Will Ruth Pond and Conveyance Improvement project. On February 2, 2022, TWDB approved the funding for the project.

FINANCIAL IMPLICATIONS

The proposed funding for the Will Ruth Pond and Conveyance Improvement project, with an estimated total project cost of \$29,367,000, will consist of \$5,110,000 TWDB grant funding, \$9,490,000 bond funding and \$14,767,000 EPWater funding.

PROPOSED ACTION REQUESTED

Approve a resolution requesting City Council to authorize the issuance of \$9,490,000 of City of El Paso, Texas, Municipal Drainage Utility System Revenue Bonds, Series 2022 and the Texas Water Development Board (TWDB) Form Resolution; authorize the President/CEO or designee of El Paso Water Utilities to sign a grant agreement, and all related documents with the TWDB in the amount of \$5,110,000 through the Flood Infrastructure Fund program of the TWDB to finance the Will Ruth Pond and Conveyance Improvement project.

SUPPORTING DOCUMENTATION PROVIDED

- Resolution
- TWDB Form Resolution

RESOLUTION

A RESOLUTION REQUESTING THAT THE EL PASO CITY COUNCIL AUTHORIZE THE ISSUANCE AND SALE OF UP TO \$9,490,000 OF CITY OF EL PASO, TEXAS, MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2022, TO BE ISSUED TO THE TEXAS WATER DEVELOPMENT BOARD WITH FLOOD INFRASTRUCTURE FUND PROGRAM FUNDING TO FINANCE THE WILL RUTH POND AND CONVEYANCE IMPROVEMENTS IN EL PASO COUNTY, TEXAS; AND AUTHORIZE THE PRESIDENT/CEO OR DESIGNEE TO SIGN A GRANT AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD AND ALL RELATED DOCUMENTS FOR THE WILL RUTH POND AND CONVEYANCE IMPROVEMENT PROJECT, IDENTIFIED AS PROJECT NO. 40182 .

WHEREAS, on June 19, 2007, the City Council of the City of El Paso, Texas established the El Paso Texas Municipal Drainage Utility System by Ordinance Number 016668 for the management and control of stormwater drainage and infrastructure; and

WHEREAS, the El Paso City Council, as authorized by State law, vested the complete authority and control of the management and operation of the El Paso, Texas Municipal Drainage Utility System (the “System”) in the El Paso Water Utilities Public Service Board; and

WHEREAS, the Public Service Board (the “Board”) hereby finds and determines that it is in the best interests of the System to make the improvements to the stormwater system further described herein; and

WHEREAS, the Board acting on behalf of the City, filed an application seeking financial assistance in the amount of \$14,600,000 from the Flood Infrastructure Fund program of the Texas Water Development Board to finance the Will Ruth Pond and Conveyance Improvement project, identified as Project No. 40182; and

WHEREAS, the Texas Water Development Board adopted a resolution approving a \$14,600,000 commitment to the Board, acting on behalf of the City, for financial assistance in form of the proposed purchase of \$9,490,000 of “City of El Paso, Texas, Municipal Drainage Utility System Revenue Bonds, Series 2022”, and a grant of \$5,110,000; and

WHEREAS, the Board finds that it is in the best interest of the System ratepayers for this funding and financing to take place; and

WHEREAS, the Board desires to authorize the President/CEO or designee to sign a grant agreement with the Texas Water Development Board for the Will Ruth Pond and Conveyance Improvement project, identified as Project No. 40182, and any related documents.

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 true and correct and are hereby adopted by the El Paso Water Utilities Public Service Board, which has been vested with the complete authority and control of the management and operation of the Municipal Drainage Utility System, and made a part of this Resolution by this reference for all purposes.

Section 2. That the El Paso Water Utilities Public Service Board hereby requests the El Paso City Council to authorize the issuance and sale of up to \$9,490,000 in City of El Paso, Texas, Municipal Drainage Utility System Revenue Bonds, Series 2022 to be issued through the Texas Water Development Board with Flood Infrastructure Fund program funding to finance the Will Ruth Pond and Conveyance Improvement project, identified as Project No. 40182, in El Paso County, Texas.

Section 3. That the President/CEO or designee of El Paso Water Utilities Public Service Board is authorized to sign a grant agreement with the Texas Water Development Board and all related documents, to memorialize a grant in the amount of \$5,110,000 through the Flood Infrastructure Fund program of the Texas Water Development Board to finance the Will Ruth Pond and Conveyance Improvement project, identified as Project No. 40182, in El Paso County, Texas.

(Signatures Begin on the following Page)

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.

EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD

ATTEST:

Kristina D. Mena, Chair

Bryan Morris, Secretary/Treasurer

APPROVED AS TO CONTENT:

Arturo Duran
Chief Financial Officer

APPROVED AS TO FORM:

Daniel Ortiz
General Counsel

Agreement Execution Resolution

A RESOLUTION by the El Paso Water Utilities Public Service Board of the City of El Paso (the "PSB") authorizing John E. Balliew, P.E., the Designated Representative of the El Paso Water Utilities- Public Service Board, to execute an agreement with the Texas Water Development Board for funding in the amount of \$ 14,600,000.

WHEREAS, the Texas Water Development Board made a commitment to provide financial assistance in the form of a grant/loan/principal forgiveness in the amount of \$ 14,600,000 to El Paso Water Utilities- Public Service Board to finance a project upon execution of a loan/grant/principal forgiveness agreement; therefore

BE IT RESOLVED BY THE El Paso Water Utilities Public Service Board OF THE City of El Paso :

SECTION 1. Approval of Agreement. The agreement setting out the terms and conditions of the financial assistance between the Texas Water Development Board and the El Paso Water Utilities- Public Service Board is approved and the El Paso Water Utilities- Public Service Board's Designated Representative is authorized to execute the agreement on behalf of the El Paso Water Utilities- Public Service Board.

SECTION 2. Effective Date. This Resolution shall become effectively immediately after its adoption.

PASSED AND APPROVED, this the _____ day of _____, 20_____.

ATTEST: _____
Bryan Morris, Secretary-Treasurer

By: _____
Kristina Mena, Chair