

On the WATER Front

A Message from Ed Archuleta, P.E., President/CEO



October 2009

Improving Public Safety

Last month, the North American Development Bank (NADBank) and Border Environment Cooperation Commission certified 14 El Paso Water Utilities stormwater projects. Their action cleared the way for a 20-year NADBank loan that will improve public safety in El Paso by accelerating the completion of our stormwater projects.

On Sept. 29, NADBank purchased \$53 million in municipal revenue bonds that will fund stormwater projects throughout the city. Projects initially scheduled over the next three years will be completed in two years or less and with substantial savings to our ratepayers.

The bonds were issued through the Build America Bond program, which was created under the federal stimulus program. NADBank purchased the bonds at a reduced interest rate, and the U.S. Treasury Department will reimburse 35 percent of the interest we pay. This saves us \$7.4 million in financing costs.

Fitch Rates Us "AA"

In other exciting news, Fitch Ratings assigned an "AA" rating to the Build America Bonds. Only 25 percent of the nation's municipal utilities are rated "AA" or higher, and it's rare for a new utility to receive a rating this high on its first issues of bonds.

Control basin in Government Hills area.



The agency said in a news release: "Fitch believes that the prudent fiscal management measures that guide the water and sewer enterprise will be extended to the operation of the drainage utility fund." Fitch also cited our capital improvement plan, the foresight of our management and the 10 percent of revenue we set aside to acquire open spaces that enhance flood control.

We'll begin awarding bids for the stormwater projects later this year, and you'll soon see signs of our progress throughout the city. Look for us in your neighborhood.