



**PUBLIC SERVICE BOARD MEETING  
AGENDA ITEM**

**REGULAR MEETING  
Wednesday, August 09, 2017**

**SUBJECT**

Request City Council to approve the issuance of up to \$95,360,000 of City of El Paso Water and Sewer System Revenue Refunding Bonds Series 2017.

**BACKGROUND**

El Paso Water (EPWater) is requesting City Council to issue up to \$95,360,000 of City of El Paso Water and Sewer System Revenue Refunding Bonds Series 2017 to fund \$51,600,000 of capital improvement projects (CIP) approved for Fiscal Year 2017-2018, refund \$15,460,000 of existing bonds, pay off \$28,000,000 in Commercial Paper Notes, and fund related transaction costs.

**EVALUATION PROCESS**

Due to current market conditions, the Utility can refund the 2008 Revenue Refunding Bonds and 2010 Taxable Series NadBank Build America Bonds in order to realize interest cost savings. In addition, EPWater will pay off \$28,000,000 in Commercial Paper Notes outstanding and issue \$51,600,000 of bonds to fund CIP. The Finance Committee met on August 1, 2017, to review the bond issue proposal.

The Finance Committee approved moving forward based upon the following parameters:

Maximum Aggregate Principal:	\$95,360,000
Minimum Present Value Savings Target:	3.00%
Maximum True Interest Cost:	4.60%
Final Maturity Date:	December 2038

Underwriters for the bonds will be recommended at the Board Meeting.

**FINANCIAL IMPLICATIONS**

The bond issue for the current refunding bonds has an estimated present value interest savings of \$653,000. The bond issue has an estimated True Interest Cost of 3.60%.

**PROPOSED ACTION REQUESTED**

Adopt a resolution requesting City Council to authorize the issuance of up to \$95,360,000 of City of El Paso Water and Sewer System Refunding Bonds Series 2017 to fund \$51,600,000 of approved capital improvement projects, pay off \$28,000,000 in Commercial Paper Notes, refund \$15,460,000 of existing bonds, and fund related transaction costs.

**SUPPORTING DOCUMENTATION PROVIDED**

) Resolution

## RESOLUTION

A RESOLUTION REQUESTING CITY COUNCIL TO AUTHORIZE THE ISSUANCE OF UP TO \$95,360,000 OF CITY OF EL PASO WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS SERIES 2017 TO FUND \$51,600,000 OF THE APPROVED CAPITAL IMPROVEMENTS PROGRAM, PAY OFF \$28,000,000 IN COMMERCIAL PAPER NOTES, REFUND \$15,460,000 OF EXISTING BONDS, AND FUND RELATED TRANSACTION COSTS; PROVIDED THAT CERTAIN PARAMETERS ARE MET.

WHEREAS, the El Paso Water Utilities Public Service Board (EPWater), was established on May 22, 1952, by Ordinance No. 752 of the City of El Paso for the purpose of providing potable water and wastewater collection and treatment for the City of El Paso; 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 City Council has heretofore authorized and issued City of El Paso, Texas, Water and Sewer Revenue Refunding Bonds Series 2008, dated January 15, 2008, and Water and Sewer Revenue Taxable Series 2010 (NADBANK) Build America Bonds, dated August 12, 2010, and outstanding commercial paper notes; and

WHEREAS, the Board hereby finds and determines that it is in the best interests of the City to refund the Refunded Bonds in order to achieve a present value debt service savings; and,

WHEREAS, the Board hereby finds and determines that the refunding of the Refunded Commercial Paper Notes for the purposes of making such debt long-term fixed rate debt of the City and restructuring the debt payable from the revenues of the System is in the best interest of the City; and,

WHEREAS, in order to seize the opportunity for such savings, the Board needs to issue \$95,360,000 of City of El Paso Water and Sewer System Revenue Refunding Bonds Series 2017;

**NOW, THEREFORE, BE IT RESOLVED BY THE 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 the El Paso Water Utilities Public Service Board hereby adopts a resolution asking City Council to authorize the issuance of up to \$95,360,000 of City of El Paso Water and Sewer System Revenue Refunding Bonds Series 2017, to fund \$51,600,000 of the approved capital improvements program, pay off \$28,000,000 in commercial paper notes, refund \$15,460,000 of existing bonds and fund related transaction costs; provided that certain parameters approved by the Board are met.

**PASSED AND APPROVED at the regular meeting of the Public Service Board, this 9th day of August, 2016,** at which meeting a quorum was present and which was held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001, et. seq.

EL PASO WATER UTILITIES  
PUBLIC SERVICE BOARD

ATTEST:

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Henry Gallardo, Chair

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Christopher A. Antcliff, J.D., Vice Chair

APPROVED AS TO FORM:

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Lee Ann Koehler,  
General Counsel