



**PUBLIC SERVICE BOARD MEETING
AGENDA ITEM**

**REGULAR MEETING
Wednesday, October 11, 2017**

SUBJECT

Request City Council to approve the issuance of \$50,000,000 of City of El Paso Water and Sewer System Revenue Bonds Series 2017A.

BACKGROUND

On July 21, 2016, The Texas Water Development Board (TWDB) approved the Public Service Board's multi-year assistance request of \$150,000,000 from the State Water Implementation Revenue Fund for Texas (SWIRFT). The Utility previously requested \$100,000,000 for 2016 and is now requesting the remaining \$50,000,000 for 2017. The loan proceeds will be used for the acquisition of lands with water rights in Hudspeth County. These land acquisitions will assist in providing a portion of the water rights identified in the Far West Texas Region Water Plan (Region E).

EVALUATION PROCESS

Different financing alternatives were evaluated and the funding offered through the TWDB's SWIRFT was selected due to the low interest cost. The interest rate subsidy is 35% below the TWDB's cost of funds for a 20-year loan.

FINANCIAL IMPLICATIONS

This bond issue was approved in the current budget for Fiscal Year 2017-18.

PROPOSED ACTION REQUESTED

Approve a resolution asking City Council to authorize the issuance of \$50,000,000 of City of El Paso Water and Sewer System Revenue Bonds Series 2017A through the Texas Water Development Board's State Water Implementation Revenue Fund for Texas.

SUPPORTING DOCUMENTATION PROVIDED

) Resolution

RESOLUTION

A RESOLUTION REQUESTING THE EL PASO CITY COUNCIL APPROVE THE ISSUANCE AND SALE OF UP TO FIFTY MILLION AND NO/100 DOLLARS (\$50,000,000.00) OF EL PASO, TEXAS, WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2017A, TO BE ISSUED THROUGH THE TEXAS WATER DEVELOPMENT BOARD WITH STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS (SWIRFT) FUNDING, TO FINANCE THE PURCHASE OF WATER RIGHTS LAND IN HUDSPETH COUNTY, TEXAS.

WHEREAS, the City Council of the City of El Paso, Texas established the El Paso Texas Water and Sewer Utilities System by Ordinance Number 752, May 22, 1952;

WHEREAS, the City Council as authorized by State law vested the complete management and control of the El Paso Texas Water Utilities System in a board of trustees, said board being the El Paso Water Utilities Public Service Board (“PSB”);

WHEREAS, EPWU has historically worked with funding agencies to obtain the necessary resources to invest in sustainable, long-term water solutions for the City of El Paso;

WHEREAS, on September 30, 2014, the City Council adopted a resolution delegating authority to apply for funding from the State Water Implementation Fund of Texas on behalf of the City of El Paso to the El Paso Water Utilities Public Service Board of Trustees, President/CEO;

WHEREAS, the PSB passed a resolution on May 11, 2016, to authorize the President/CEO to request financial assistance from the Texas Water Development Board in an amount not to exceed \$150,000,000.00 in loans from Texas Water Development Board for land and water rights acquisition under the State Water Implementation Fund for Texas program (“SWIFT”);

WHEREAS, on July 21, 2016, the Texas Water Development Board approved the El Paso Water Utilities request for a multi-year assistance in the amount of \$150,000,000.00 to purchase water rights land in Hudspeth County, Texas;

WHEREAS, on October 12, 2016, the PSB passed a Resolution requesting the El Paso City Council to authorize the sale and issuance of up to \$100,000,000.00 in City of El Paso Texas Water and Sewer System Revenue Bonds, Series 2016A, issued through the Texas Water Development; and

WHEREAS, the sale and issuance of up to \$50,000,000.00 in City of El Paso Texas Water and Sewer System Revenue Bonds, Series 2017A, issued through the Texas Water Development Board is necessary to receive the remaining SWIRFT funding; and

WHEREAS, the PSB finds that it is in the best interest of the water and sewer system utility ratepayers for this funding and financing to take place;

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 management and control of the El Paso Texas Water and Sewer 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 requests the El Paso City Council to approve the issuance and sale of up to FIFTY MILLION AND NO/100 DOLLARS (\$50,000,000.00) in City of El Paso, Texas Water and Sewer System Revenue Bonds, Series 2017A, to be issued through the Texas Water Development Board with State Water Implementation Revenue Fund for Texas funding to finance the purchase of water rights land in Hudspeth County, Texas.

Section 3. That all actions heretofore taken by the PSB's President/CEO, the City's Financial Advisor and the PSB's Bond Counsel with respect to this matter are hereby ratified and approved.

PASSED AND APPROVED at a regular meeting of the El Paso Water Utilities Public Service Board of the City of El Paso, Texas, this, 11th day of October, 2017, at which meeting a quorum was present, 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

Henry Gallardo
Chair

ATTEST:

APPROVED AS TO FORM:

Terri Garcia
Secretary/Treasurer

Lee Ann B. Koehler
General Counsel