


CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: El Paso Water Utilities Public Service Board

AGENDA DATE: Ordinance Introduction and Public Hearing- May 15, 2018

CONTACT PERSON/PHONE: Marcela Navarrete, Vice President for Strategic, Financial and Management Services: (915) 594-5614, mnavarrete@epwater.org 

DISTRICT(S) AFFECTED: All Districts

SUBJECT: APPROVE the following Ordinance: An Ordinance establishing a Municipal Drainage Utility System revolving note program and authorizing the issuance of program obligations in an aggregate principle amount not to exceed \$25,000,000 at any one time, prescribing the terms, features and characteristics of such obligations; approving and authorizing certain authorized officers and employees of the City to act on behalf of the City in the sale and delivery of such obligations, within the limitations specified herein; making certain covenants and agreements in connection therewith; providing for the payment of the obligations; resolving other matters related thereto, including the approval of a Note Purchase Agreement and a paying agent/registrar agreement; and providing an effective date.

BACKGROUND / DISCUSSION:

On June 19, 2007, the City Council by Ordinance Number 01668 established the City's Municipal Drainage Utility System (System) and delegated the management and control of the System to the El Paso Water Utilities Public Service Board (PSB). On several occasions after the formation of the System, the PSB has requested and the City Council has authorized the issuance of City of El Paso, Texas, Municipal Drainage Utility System Revenue Bonds to fund stormwater improvement and infrastructure projects.

On February 26, 2018, A Request for Proposals (RFP) was issued to solicit proposals for a Direct Revolving Loan or Note Purchase Agreement in order to provide short-term financing to fund stormwater improvement and infrastructure projects for the System. Seven proposals were received in response to the RFP and five of the proposals providing feasible short-term financing programs.

On April 11, 2018, the PSB adopted a Resolution requesting the City Council to establish a Municipal Drainage Utility System Revolving Note Program with Bank of America N.A. to provide short-term financing for additions, improvements and extensions to the System. The issuance of Program obligations will not exceed the amount of \$25,000,000 at any one time.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes, on October 14, 1997, City Council approved an Ordinance authorizing the issuance of Commercial Paper Notes as an interim financing mechanism for additions, improvements and extensions of the Water and Sewer System.

AMOUNT AND SOURCE OF FUNDING: N/A

BOARD / COMMISSION ACTION: On April 11, 2018, the El Paso Water Utilities Public Service Board approved a Resolution requesting the City Council to approve the MDUS Revolving Loan Note Program.

AFTER EXECUTION OF ALL DOCUMENTS, PLEASE CONTACT MARCELA NAVARRETE TO PICK UP THE DOCUMENTS. 594-5614. THANK YOU.

RESOLUTION

A RESOLUTION SELECTING BANK OF AMERICA N.A. AS THE PROVIDER FOR A DIRECT FUNDED REVOLVING LOAN OR NOTE PURCHASE AGREEMENT FOR THE MUNICIPAL DRAINAGE UTILITY SYSTEM, AND REQUESTING THE EL PASO CITY COUNCIL TO AUTHORIZE AND APPROVE AN AGREEMENT WITH BANK OF AMERICA N.A. IN AN AMOUNT NOT TO EXCEED \$25,000,000, AND AUTHORIZING THE PRESIDENT/CEO OR THE PUBLIC SERVICE BOARD CHAIR TO SIGN A LETTER OF COMMITMENT WITH BANK OF AMERICA N.A., AS NECESSARY

WHEREAS, on June 19, 2007, the City Council of the City of El Paso, Texas established the El Paso Texas Municipal Drainage Utility System (the "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 management and control of the System in the El Paso Water Utilities Public Service Board; and,

WHEREAS, a new financing instrument was evaluated for interim financing of stormwater capital projects for the System; and,

WHEREAS, a solicitation was conducted for proposals for a provider of a Direct Funded Revolving Loan or Note Purchase Agreement (the "Credit Facility") as a means to provide such interim financing of System improvements; and,

WHEREAS, Bank of America, N.A. offered the best overall price for the Credit Facility; and,

WHEREAS, on April 5, 2018, the El Paso Water Utilities Public Service Board (PSB) Audit, Finance and Investment Committee met and reviewed the proposals submitted and recommended that the Bank of America N.A. be selected as the provider for the Credit Facility.

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 (PSB) hereby selects Bank of America, N.A. as the provider for the Credit Facility, as recommended and reviewed by the PSB Audit, Finance and Investment Committee; and that the PSB President/CEO, Vice President and/or Chief Financial Officer, Financial Advisor and Bond Counsel are hereby authorized to negotiate such Credit Facility, and sign any other necessary documents so that the Credit Facility, along with all other necessary documents, can be presented to the El Paso City Council for approval and authorization to execute the agreement between the City of El Paso and Bank of America N.A., in a form approved by the President/CEO, Vice President and/or Chief Financial Officer, Financial Advisor and Bond Counsel, in an amount not to exceed \$25,000,000; and further

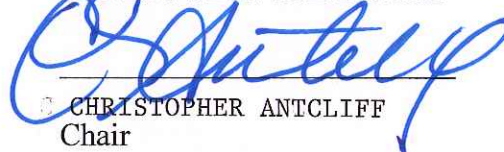
authorize the President/CEO or the PSB Chair to sign a letter of commitment with Bank of America N.A., if necessary.

PASSED AND APPROVED at the regular meeting of the Public Service Board, this **11th day of April, 2018**, at which meeting a quorum was present and which was held in accordance with the provisions of Texas Local Government Code, Sections 551.001, et. seq.


ATTEST:


KRISTINA MENA
Secretary/Treasurer


**EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD**


CHRISTOPHER ANTCLIFF
Chair

APPROVED AS TO CONTENT:


Marcela Navarrete, Vice President
Strategic, Financial and Management
Services

APPROVED AS TO FORM:


Lee Ann B. Koehler
General Counsel