



Water & Sewer Revenue Refunding Bonds, 2018

October 30, 2018

Transaction Overview

- **Commercial Paper Fix-Out:**

- **The El Paso Water Utilities - Public Service Board (PSB) is proposing to fix-out \$30,000,000 of outstanding commercial paper notes and issue tax-exempt fixed rate bonds.**
 - The PSB started the Commercial Paper Program in 1997 and has utilized it for interim construction financing typically for small projects (< \$5 million).
 - The PSB currently has a maximum funding capacity for commercial paper of \$40 million.

Proposed Debt Structure: Deferred Principal; Structured Debt Thereafter⁽¹⁾

A	B	C	D	E	F	G	H	I
Annual Period Ending 1-Mar	Long-Term Debt Service	Commercial Paper Interest	Total Existing Debt Service	CURRENT			Aggregate Debt Service	Annual Period Ending 1-Mar
				No Principal Payments Until 2025; Structured Debt Thereafter Commercial Paper Take-Out Bonds, Series 2018				
				Principal	Interest	Total		
2019	\$ 69,014,684	\$ 321,000	\$ 69,335,684	\$ -	\$ -	\$ -	\$ 69,335,684	2019
2020	68,594,378	250,000	68,844,378	-	1,623,750	1,623,750	70,468,128	2020
2021	66,391,853	250,000	66,641,853	-	1,350,000	1,350,000	67,991,853	2021
2022	66,659,175	250,000	66,909,175	-	1,350,000	1,350,000	68,259,175	2022
2023	66,562,962	250,000	66,812,962	-	1,350,000	1,350,000	68,162,962	2023
2024	66,488,138	250,000	66,738,138	-	1,350,000	1,350,000	68,088,138	2024
2025	63,036,445	250,000	63,286,445	2,110,000	1,350,000	3,460,000	66,746,445	2025
2026	62,592,493	250,000	62,842,493	2,210,000	1,255,050	3,465,050	66,307,543	2026
2027	59,906,713	250,000	60,156,713	2,310,000	1,155,600	3,465,600	63,622,313	2027
2028	52,912,015	250,000	53,162,015	2,415,000	1,051,650	3,466,650	56,628,665	2028
2029	47,945,982	250,000	48,195,982	2,525,000	942,975	3,467,975	51,663,957	2029
2030	42,305,702	250,000	42,555,702	2,635,000	829,350	3,464,350	46,020,052	2030
2031	38,490,912	250,000	38,740,912	2,755,000	710,775	3,465,775	42,206,687	2031
2032	34,846,275	250,000	35,096,275	1,390,000	586,800	1,976,800	37,073,075	2032
2033	34,650,675	250,000	34,900,675	1,455,000	524,250	1,979,250	36,879,925	2033
2034	31,557,405	250,000	31,807,405	1,520,000	458,775	1,978,775	33,786,180	2034
2035	29,182,732	250,000	29,432,732	1,585,000	390,375	1,975,375	31,408,107	2035
2036	20,424,250	250,000	20,674,250	1,660,000	319,050	1,979,050	22,653,300	2036
2037	13,189,100	250,000	13,439,100	1,730,000	244,350	1,974,350	15,413,450	2037
2038				1,810,000	166,500	1,976,500	1,976,500	2038
2039				1,890,000	85,050	1,975,050	1,975,050	2039
2040							-	2040
Total	\$ 934,751,888	\$ 4,571,000	\$ 983,290,708	\$ 30,000,000	\$ 17,094,300	\$ 47,094,300	\$ 1,030,385,008	

Maximum: \$ 70,468,128

TIC (Assumes 100 bps above Market Rates of 10.10.18): 4.50%

(1) For illustration purposes only. Actual debt service requirement figures will be determined at the time of pricing. Illustrated principal debt structure reduces debt load in the first 6 years and takes advantage of the yield curve in years 2025 through 2031.

Open Market: Parameter Authorization

- Parameter authorization will enable the sale of Revenue Refunding Bonds (Series 2018) at optimum timing and structure.
- Council delegates final pricing authority to Pricing Officer(s).
 - John Balliew
 - Marcela Navarrete
 - Arturo Duran
- Council to approve parameters as recommended by PSB.
 - Maximum True Interest Cost – 4.50%
 - Aggregate Principal Amount of Issue - \$30,000,000
 - Final Maturity Date – December 31, 2039
 - Expiration of Delegated Authority – 3 months
- Pricing Officer can only approve sale if all Council parameters are met.

Underwriters

- **Staff Recommendation:**
 - **Raymond James (Senior)**
 - **RBC Capital Markets (Co-Manager)**

Timeframe

Sep-18						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Oct-18						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Nov-18						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Dec-18						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Complete By	Day	Event
12-Sep-18	Wednesday	Preliminary Official Statement Information Request
26-Sep-18	Wednesday	HilltopSecurities Receives Information
2-Oct-18	Tuesday	Provide 1st Draft of Official Statement for Comments
4-Oct-18	Thursday	Receive Comments on 1st Draft of Official Statement
		Presentation to PSB Finance Committee
9-Oct-18	Tuesday	Provide 2nd Draft of Official Statement for Comments
10-Oct-18	Wednesday	PSB Board Requests City to Sell Bonds through a Parameters Resolution
11-Oct-18	Thursday	Receive Comments on 2nd Draft of Official Statement
16-Oct-18	Tuesday	POS Sent to Rating Agencies
24-Oct-18	Wednesday	Rating Meetings (Conference Calls)
30-Oct-18	Tuesday	Adoption by City Council
2-Nov-18	Friday	Receive Ratings
5-Nov-18	Monday	Post POS to I-Deal
13-Nov-18	Tuesday	Bond Pricing
20-Nov-18	Tuesday	Final Official Statement Printed & Mailed
10-Dec-18	Monday	Draft Closing Memo Drafted & Sent for Comments
18-Dec-18	Tuesday	Bond closing and delivery of funds

 Denotes Specific Dates
 Holidays