



Water and Sewer Revenue Improvement and/or Refunding Bonds

August 2, 2022

Transaction Overview

- El Paso Water Utilities seeks authorization to issue up to \$441,000,000 of water and sewer revenue bonds, in one or more series, to finance needed capital improvements to the City's W&S System over the next nine (9) months.
- Bonds are anticipated to include:
 - Improvement Bonds for direct funding of capital projects.
 - Refunding bonds to repay commercial paper notes issued to fund System improvements.
 - Existing CP program has a total capacity of \$80 million
 - Refunding component may include refunding commercial paper notes approximately three times over the next nine months.

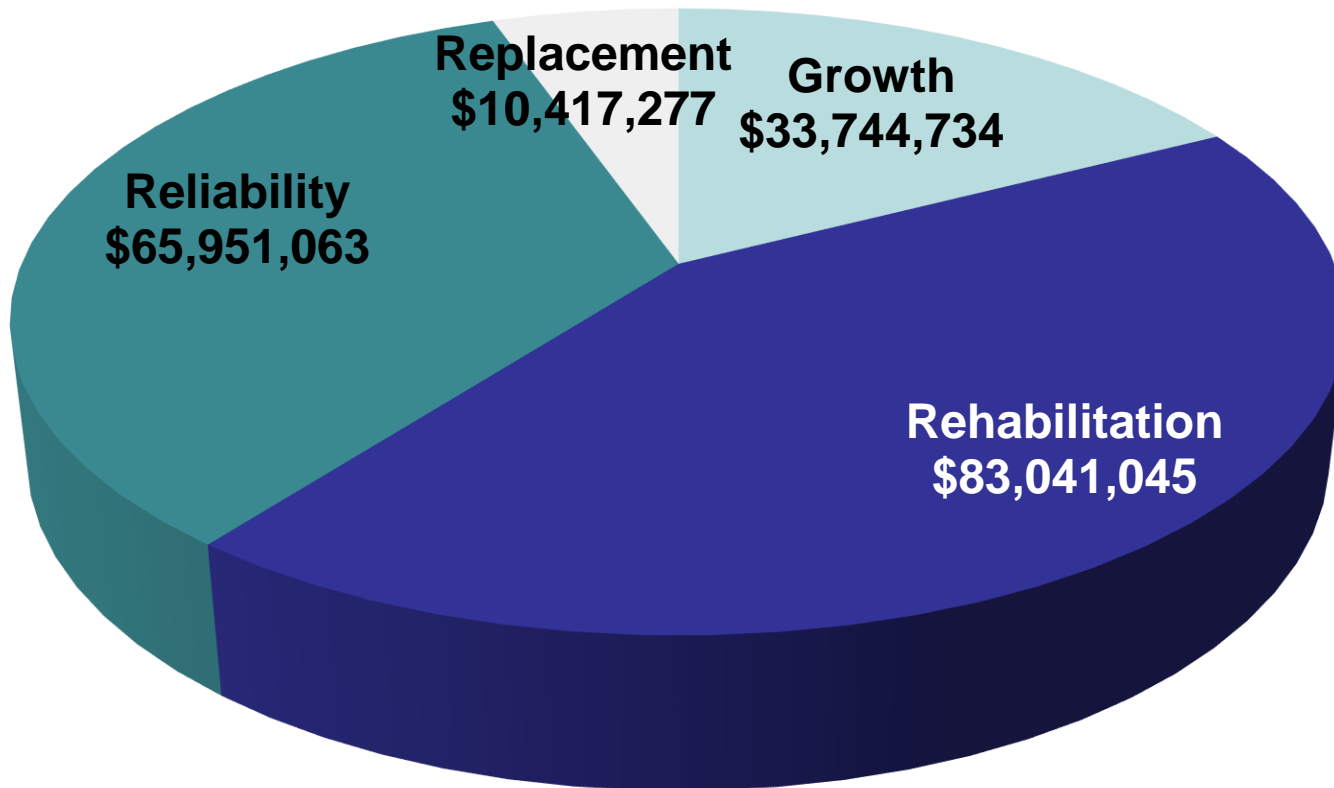
Specific Projects

Project (water)	District	Total
Upper Valley - Strahan/Borderland Water Transmission Mains (IF)	1	\$14,649,000
Canutillo Upper Valley Transmission Main Northwest Phase IV (IF)	1	3,483,107
Airport Booster Station Replacement Program	3	4,775,332
EPWater Headquarters New Building	3	1,785,714
Franklin East 24" Waterline extension IF	4	2,166,591
Montana East Supply Waterlines	5	7,000,500
Jonathan Rogers WTP Improvements & Rehabilitation	6	6,604,000
Planned Waterline Replacement	7	2,571,429
Canal WTP Improvements & Rehabilitation	8	2,248,909
Rosa Street 16" (UMC) Installation	1,8	552,955
Pipeline Protection Program	3,7	3,787,421
SB3 Energy Systems Upgrades	Citywide	55,882,353
Total (water)		\$105,507,310

Specific Projects

Project (wastewater)	District	Total
Northwest Facility Planned Area	1	2,721,643
Northeast Dyer/RR Lift Station 7MGD (IF)	4	1,452,273
Hondo Pass Sewer Line Replacement	4	1,113,636
NE Dyer/Railroad Interceptors (IF)	4	119,955
Grouse Street Force Main Replacement Phase VI	4	171,167
Fred Hervey WRP Upgrades & Rehabilitation	4	392,273
Roberto R. Bustamante WRP Upgrades & Rehabilitation	6	67,924,000
Alfalfa Lift Station Rehab & 6MGD Upgrade (Alternatives to RRB Exp)	8	5,081,818
Haskell R. Street WWTP Upgrades & Rehabilitation	8	3,635,500
John T. Hickerson WRP Upgrades & Rehabilitation	1,8	2,236,364
Emergency Backup Power Improvements	Citywide	2,798,182
Total (wastewater)		\$87,646,810
Grand Total (water/wastewater)		\$193,154,120

2022 Bond Funding by Category



Debt Impact to Overall W&S Debt

		A	B	C	D	E	F
Annual Period Ending	Total Existing	W&S CP Refunding			Aggregate Debt Service	Annual Period Ending	
		W&S CP Refunding Sale Date: 8/30/2022 SERIES 2022A	W&S CP Refunding Sale Date: 12/1/2022 SERIES 2022B	W&S Improv. W&S CP Refunding Sale Date: 3/1/2023 SERIES 2023			
1-Mar	Debt Service	Total ⁽¹⁾	Total ⁽²⁾	Total ⁽³⁾		1-Mar	
2023	\$ 82,869,225	\$ 1,971,646	\$ -	\$ -	\$ 84,840,871	2023	
2024	85,169,212	3,943,293	5,945,428	16,724,700	111,782,632	2024	
2025	84,150,328	4,693,293	5,506,343	17,724,700	112,074,663	2025	
2026	85,194,377	4,656,918	5,462,468	17,664,700	112,978,462	2026	
2027	85,030,221	4,620,543	5,418,593	17,604,700	112,674,056	2027	
2028	89,248,110	3,834,168	4,624,718	16,544,700	114,251,695	2028	
2029	84,437,557	6,264,168	6,634,718	17,544,700	114,881,142	2029	
2030	78,633,474	6,261,313	6,637,133	23,354,700	114,886,619	2030	
2031	74,707,647	6,262,880	6,637,528	24,007,500	111,615,554	2031	
2032	67,254,162	6,263,385	6,635,610	24,006,400	104,159,557	2032	
2033	66,992,204	6,262,585	6,636,088	24,006,800	103,897,676	2033	
2034	62,617,489	6,265,238	6,633,375	24,006,900	99,523,001	2034	
2035	60,265,513	6,260,858	6,637,180	24,009,900	97,173,451	2035	
2036	51,507,983	6,264,445	6,636,625	24,008,700	88,417,753	2036	
2037	44,265,702	6,265,273	6,636,418	24,006,500	81,173,892	2037	
2038	36,813,061	6,263,098	6,635,973	24,006,200	73,718,331	2038	
2039	31,085,734	6,262,678	6,634,705	24,005,400	67,988,516	2039	
2040	26,960,294	6,263,528	6,637,030	24,006,700	63,867,551	2040	
2041	24,473,344	6,265,163	6,632,070	24,007,400	61,377,976	2041	
2042	21,333,000	6,262,098	6,634,533	24,009,800	58,239,430	2042	
2043	20,993,250	6,264,090	6,633,248	24,005,900	57,896,488	2043	
2044	21,279,250	6,260,413	6,632,630	24,008,000	58,180,293	2044	
2045	21,284,000	6,260,823	6,636,803	24,007,500	58,189,125	2045	
2046	21,289,250	6,264,593	6,634,595	24,006,100	58,194,538	2046	
2047	21,333,250	6,260,995	6,635,423	24,005,200	58,234,868	2047	
2048	21,337,250	6,264,788	6,633,115	24,005,900	58,241,053	2048	
2049	21,336,250		6,636,795	24,009,000	51,982,045	2049	
2050	21,313,500			-	21,313,500	2050	
2051	21,323,000			-	21,323,000	2051	
2052	21,336,000			-	21,336,000	2052	
Total	\$ 1,455,833,634	\$ 148,982,264	\$ 166,299,138	\$ 439,257,000	\$ 2,354,413,736		
Project Improvement Funds:		\$ -	\$ -	\$ 193,154,120	\$ 193,154,120		
Commercial Paper Refunding:		\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 240,000,000		

(1) Assumes a True Interest Cost of 4.85%. Preliminary and subject to change based on market conditions at the time of pricing the bonds.

(2) Assumes a True Interest Cost of 5.85%. Preliminary and subject to change based on market conditions at the time of pricing the bonds.

(3) Assumes a True Interest Cost of 6.00%. Preliminary and subject to change based on market conditions at the time of pricing the bonds.

Open Market: Parameter Authorization

- **Parameter authorization will enable the sale of the Bonds, in one or more series, at optimum timing and structure:**
 - Water & Sewer Revenue Bonds
- **Council delegates final pricing authority to following Pricing Officer(s):**
 - John Balliew
 - Marcela Navarrete
 - Arturo Duran
- **Council asked to approve parameters as recommended by PSB:**
 - Maximum True Interest Cost – 6.50%
 - Aggregate Not-to-Exceed Principal Amount for all bonds that can be issued under Ordinance- \$441,000,000
 - Final Maturity Date – December 31, 2049
 - Expiration of Delegated Authority – 270 Days
- **Pricing Officer can only approve sale if all Council parameters are met.**

Underwriters

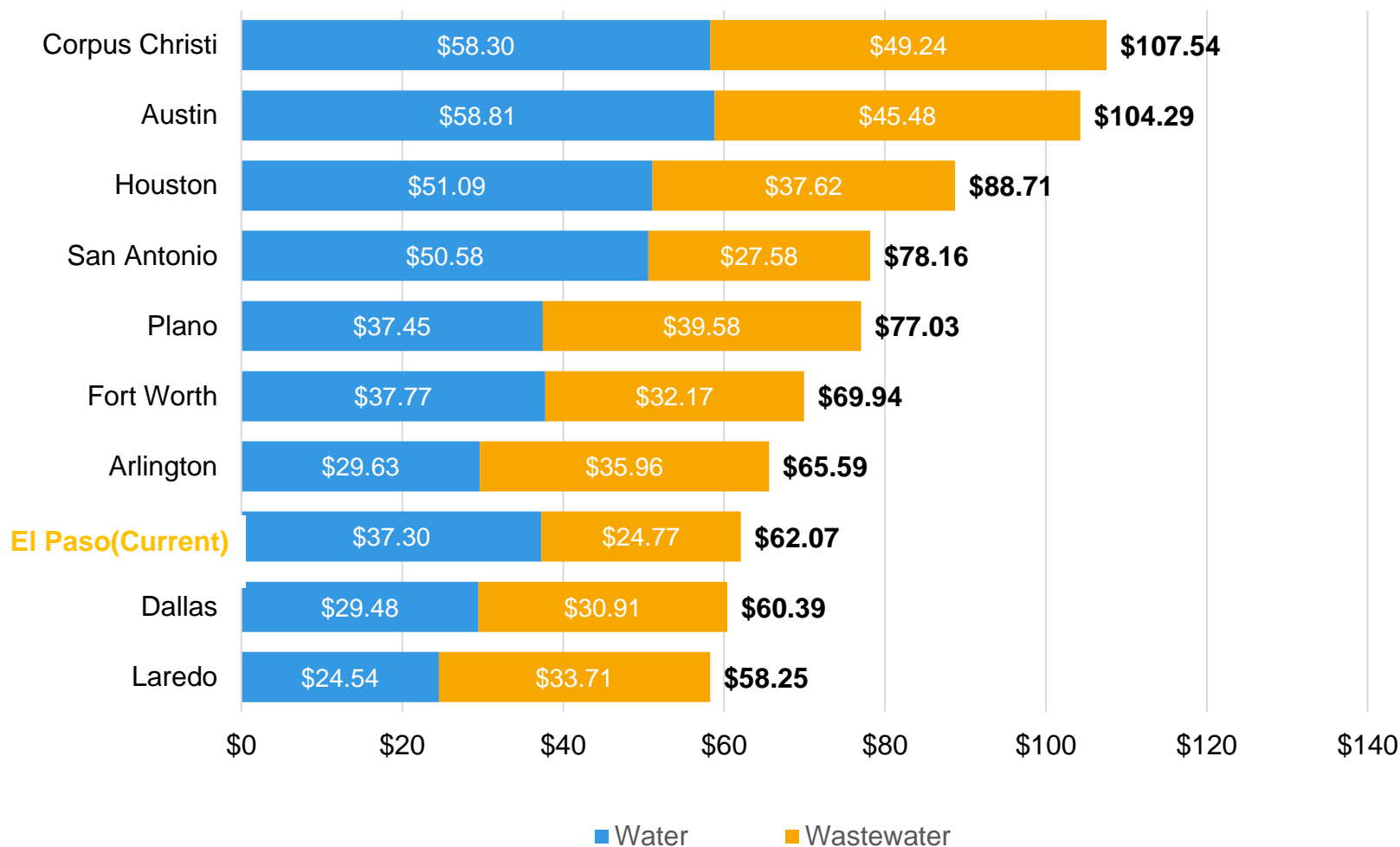
- **Staff Recommended List of Underwriters:**
 - **Raymond James**
 - **Stephens Inc.**
 - **Ramirez & Co., Inc.**
 - **RBC Capital Markets**
 - **UBS Financial Services**
 - **UMB Bank**
 - **Piper Sandler**
 - **Morgan Stanley**
 - **Barclays Capital Inc.**
 - **Wells Fargo Securities**
 - **Frost Bank**
 - **Jefferies Financial Group Inc.**
 - **Stifel, Nicolaus & Company, Inc.**
 - **JP Morgan**

Timeframe

- **July 13, 2022:** Public Service Board authorizes a request to City Council for bond authorization
- **August 2, 2022:** City Council considers approval of Bond Ordinance with delegated authority within specified parameters
- **August 30, 2022:** Tentative pricing for FIRST series of bonds to be issued under Ordinance
 - \$80,800,000 Water & Sewer Refunding Bonds, Series 2022A
(Commercial Paper Notes Refunding)
- **September 27, 2022:** Tentative Closing for Series 2022A Bonds
- *Timing of additional bond issues to be determined on the basis of capital needs of the System*

Average Residential Water/Wastewater Bill

Ten Largest Texas Cities Survey 2021



QUESTIONS & ANSWERS