



# Water and Sewer Utility System Revolving Credit Agreement (Commercial Paper Program)

# Water and Sewer Commercial Paper Program

## Background

- PSB started the Commercial Paper Program on October 14, 1997 and has utilized this cost effective short-term financing tool
- PSB currently has a maximum funding capacity for commercial paper of \$40 million
- A liquidity agreement with Bank of America N.A. (BANA) currently supports the Commercial Paper notes
- This agreement expires August 23, 2021

# Water and Sewer Commercial Paper Program

## Background

- May 28, 2021, EPWater issued a Request for Proposal (No. RFP 48-21) for Revolving Credit Agreement Services
- PSB received three qualified responses from the following firms:
  - BANA
  - JP Morgan Chase
  - Sumitomo Mitsui

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EPWater also looked at amending the existing contract with BANA as an option.

The analysis comparing the costs of amending the current contract versus awarding a new contract shows that it is more advantageous to EPWater to amend the current contract with BANA. In addition, the amendment would require minimal administrative burden.

On June 28, 2021, the EPWater Audit, Finance and Investment Committee and on July 14, 2021, the PSB approved the recommendation to amend the current BANA contract.

# Timeframe

Date	Event
May 24, 2021	Request for Proposal Issued
June 14, 2021	Request for Proposals Due
June 15–25, 2021	Evaluation / Negotiation Period
June 28, 2021	PSB Finance Committee Approved Staff's Recommendation to Amend Current Contract
July 14, 2021	PSB Approved Revolving Credit Agreement Amendment
August 3, 2021	City Council Considers Approval of Revolving Credit Agreement
August 3– August 23, 2021	Completion and Execution of Amendment No. 2 to Existing Credit Agreement

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## Recommendation

Consider and Approve an Ordinance amending the Ordinance authorizing the issuance of the “City of El Paso, Texas Water and Sewer Commercial Paper Notes, Series A”; Approving and authorizing the execution of an Amendment to an existing Credit Agreement and other related Agreements with respect to such notes; and resolving other matters incident and related thereto.