Municipal Drainage Utilities Revenue Refunding, Bonds 2022A

April 26, 2022

Municipal Drainage System Refunding

- **Revolving Note Paper Fix-Out:**

  - **The El Paso Water Utilities - Public Service Board (PSB) is proposing to fix-out $25,000,000 of outstanding revolving notes and issue tax-exempt fixed rate bonds.**

    - The PSB started the Revolving Note Private Placement Program in 2018 and has utilized it for interim construction financing typically for small projects.

    - The PSB currently has a maximum funding capacity for revolving notes of $25 million.

Series 2022A Impact to Overall Drainage System Debt

A	B	C	D	E	F	G	H	I	J
		SERIES 2022 (TWDB Loan)			Series 2022A (Open Market)				
Annual Period Ending 1-Mar	Existing Gross Debt Service	Principal	Interest (1)	Total	Principal	Interest (2)	Total	Aggregate Debt Service	Annual Period Ending 1-Mar
2023	$ 10,351,881	$ 320,000	$ -	$ 320,000	$ 250,000	$ 855,239	$ 1,105,239	$ 11,777,121	2023
2024	10,347,811	320,000	-	320,000	250,000	1,065,900	1,315,900	11,983,711	2024
2025	10,346,701	320,000	-	320,000	500,000	1,055,275	1,555,275	12,221,976	2025
2026	10,645,061	320,000	-	320,000	500,000	1,034,025	1,534,025	12,499,086	2026
2027	10,721,001	320,000	-	320,000	500,000	1,012,775	1,512,775	12,553,776	2027
2028	10,786,701	320,000	-	320,000	500,000	991,525	1,491,525	12,598,226	2028
2029	10,866,491	320,000	-	320,000	500,000	970,275	1,470,275	12,656,766	2029
2030	6,677,361	320,000	-	320,000	1,320,000	949,025	2,269,025	9,266,386	2030
2031	6,680,041	315,000	-	315,000	1,380,000	892,925	2,272,925	9,267,966	2031
2032	6,566,281	315,000	-	315,000	1,435,000	834,275	2,269,275	9,150,556	2032
2033	5,560,131	315,000	-	315,000	1,500,000	773,288	2,273,288	8,148,419	2033
2034	5,556,731	315,000	-	315,000	1,560,000	709,538	2,269,538	8,141,269	2034
2035	5,569,181	315,000	-	315,000	1,630,000	643,238	2,273,238	8,157,419	2035
2036	3,812,581	315,000	-	315,000	1,695,000	573,963	2,268,963	6,396,544	2036
2037	2,173,281	315,000	-	315,000	1,770,000	501,925	2,271,925	4,760,206	2037
2038	2,168,681	315,000	-	315,000	1,845,000	426,700	2,271,700	4,755,381	2038
2039	2,172,331	315,000	-	315,000	1,920,000	348,288	2,268,288	4,755,619	2039
2040	921,931	315,000	-	315,000	2,005,000	266,688	2,271,688	3,508,619	2040
2041	924,231	315,000	-	315,000	2,090,000	181,475	2,271,475	3,510,706	2041
2042		315,000	-	315,000	2,180,000	92,650	2,272,650	2,587,650	2042
2043		315,000	-	315,000				315,000	2043
2044		315,000	-	315,000				315,000	2044
2045		315,000	-	315,000				315,000	2045
2046		315,000	-	315,000				315,000	2046
2047		315,000	-	315,000				315,000	2047
2048		315,000	-	315,000				315,000	2048
2049		315,000	-	315,000				315,000	2049
2050		315,000	-	315,000				315,000	2050
2051		315,000	-	315,000				315,000	2051
2052		315,000	-	315,000				315,000	2052
Total	$ 122,848,414	$ 9,490,000	$ -	$ 9,490,000	$ 25,330,000	$ 14,178,989	$ 37,236,339	$166,109,753	

(1) At 0.00% Interest Loan.
(2) Assumes a True Interest Cost of 4.25% Pr li i d bj t t h bas d k t diti t the ti of i i

HilltopSecurities
A Hilltop Holdings Company.

Parameter Authorization

- **Parameter authorization will enable the sale of the Bonds at optimum timing and structure.**
  - Municipal Drainage Revenue Refunding Bonds, Series 2022A
- **Council delegates final pricing authority to Pricing Officer(s).**
  - John Balliew
  - Marcela Navarrete
  - Arturo Duran
- **Council to approve parameters as recommended by PSB.**
  - <u>Series 2022A (Revolving Note Refunding)</u>
    - Maximum True Interest Cost – 4.50%
    - Principal Amount of Issue - $25,330,000
    - Final Maturity Date – December 31, 2042
    - Expiration of Delegated Authority – 6 months
- **Pricing Officer can only approve sale if all Council parameters are met.**

Underwriters

- **Staff Recommendation:**
  - **Raymond James (Lead)**
  - **Stephens Inc. (Co-Manager)**

Timeframe

- **April 13, 2022:** Public Service Board considers request to sell Series 2022 Bonds
- **April 26, 2022:** City Council considers request to sell Series 2022A Bonds
- **May 17, 2022:** Tentative pricing for Series 2022A Bonds
- **June 7, 2022:** Tentative closing for Series 2022A Bonds

QUESTIONS & ANSWERS