

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

**DEPARTMENT:** El Paso Municipal Drainage Utility System

**AGENDA DATE:** August 4, 2009

**CONTACT PERSON/PHONE:** Edmund G. Archuleta, P. E., President/CEO/(915) 594-5501

**DISTRICT(S) AFFECTED:** 2

**SUBJECT:**

**APPROVE** a resolution / ordinance / lease to do what? **OR AUTHORIZE** the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Discussion and Action on a resolution authorizing the President/CEO of El Paso Water Utilities to submit to the Texas Water Development Board an application for financial assistance through the Drinking Water State Revolving Fund under the American Recovery and Reinvestment Act of 2009 to provide for the purchase of \$2,721,000 of City of El Paso, Texas Municipal Drainage Utility System Revenue Bonds to fund a certain drinking water infiltration pond project listed as an eligible green project in the DWSRF Intended Use Plan; and providing an effective date. **(District #2)** (Contact person: Edmund G. Archuleta, P.E., 594-5501)

**BACKGROUND / DISCUSSION:**

**Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?**

The Federal Government enacted the American Recovery and Reinvestment Act of 2009 ("ARRA") to provide for, among other things, investment in infrastructure throughout the United States and the Texas Water Development Board ("TWDB") is the administrative agency charged with implementing the ARRA in Texas. The TWDB has established a financial assistance program, the Drinking Water State Revolving Fund ("DWSRF") to assist in construction improvements and extension to the City's water utilities system.

Under the ARRA the TWDB is offering 0% loans for eligible green projects in Texas and the El Paso Municipal Drainage Utility System (MDUS) has a green project known as the Van Buren Infiltration Basin Project which is an eligible green project in the DWSRF, Intended Use Plan ("IUP") approved by the TWDB on July 16, 2009.

By Resolution dated July 22, 2009, the El Paso Water Utilities Public Service Board ("EPWU") found that it is in the best interest of its ratepayers to submit an application to the TWDB for financial assistance to accomplish the Van Buren Infiltration Basin Project which is a TWDB eligible green project. The Resolution also requests the City Council to authorize the President/CEO of the El Paso Water Utilities to submit an application to the TWDB for financial assistance for the DWSRF to purchase City of El Paso, Texas Municipal Drainage Utility System Revenue Bonds in the amount of \$2,721,000.00.

**PRIOR COUNCIL ACTION:**

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

Yes. The City Council passed a Resolution July 14, 2009 authorizing the El Paso Water Utility President/CEO to submit an application to the Texas Water Development Board for financial assistance through the Clean Water Act State Revolving Fund to provide for the purchase of \$12,036,992.00 of City of El Paso Water and Sewer Revenue Bonds to fund certain stormwater projects listed as eligible in the CWSRF Intended Use Plan.

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**

This item will be funded through the American Recovery and Reinvestment Act of 2009. No budget transfer is required.

**BOARD / COMMISSION ACTION:**

**Enter appropriate comments or N/A**

The El Paso Water Utility Public Service Board passed a Resolution dated July 22, 2009 requesting the El Paso City Council authorize the application by the President/CEO of El Paso Water Utilities to the TWDB for the Drinking Water State Revolving Fund as funded by the ARRA of 2009 for \$2,721,000.00 of City of El Paso Municipal Drainage Revenue Bonds for the Van Buren Infiltration Basin Project. (copy of Resolution attached)

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\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:**

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(Example:if RCA is initiated by Purchasing, client department should sign also)  
*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

## R E S O L U T I O N

A resolution authorizing the President/CEO of the El Paso Water Utilities to submit to the Texas Water Development Board an application for financial assistance through the Drinking Water State Revolving Fund (DWSRF) under the American Recovery and Reinvestment Act of 2009 (ARRA) to provide for the purchase of \$2,721,000.00 of City of El Paso, Texas Municipal Drainage Utility System Revenue Bonds to fund a certain drinking water infiltration pond project listed as an eligible green project in the DWSRF Intended Use Plan.

**WHEREAS**, the American Recovery and Reinvestment Act of 2009 (“ARRA”), enacted by the United States Congress and signed into law on February 17, 2009, provides for, among other things, investment in infrastructure throughout the United States; and,

**WHEREAS**, the Texas Water Development Board (the “Board”) is the Texas administrative agency charged with implementing ARRA funding of water projects within the State of Texas; and

**WHEREAS**, the City Council of the City of El Paso, Texas (the “City”), hereby finds and determines that there is a need to construct improvements to the City's water utilities system, and such capital improvements cannot be reasonably financed without financial assistance from the Board; now, therefore,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:**

**SECTION 1:** An application is hereby approved and authorized to be filed with the Board seeking financial assistance to finance the costs of constructing improvements to the City's water utilities system in an amount not to exceed \$2,721,000 to provide for the costs of a certain drinking water infiltration pond project listed as an eligible green project in the DWSRF Intended Use Plan approved by the Board on July 16, 2009.

**SECTION 2:** The President and Chief Executive Officer of the El Paso Water Utilities (“EPWU”), the Vice President of the EPWU, or the Chief Financial Officer of the EPWU, either one or more of them, shall be and are hereby designated to be the authorized representatives of the City for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Board.

**SECTION 3:** The following firms and individuals are hereby authorized and directed to aid and assist the City in the preparation and submission of such application and to appear on behalf of and represent the City before any hearing held by the Board on such application, to wit:

**Financial Advisors:**

George Williford and Jason Hughes  
First Southwest Company  
325 North St. Paul, Suite 800  
Dallas, Texas 75201  
(214) 953-4000  
gwilliford@firstsw.com  
jhughes@firstsw.com

Consulting Engineer:

John L. Rutledge, P.E.  
Freese and Nichols, Inc.  
4055 International Plaza, Suite 200  
Fort Worth, Texas 76109  
(817) 735-7284  
jlr@freese.com

Bond Counsel:

Paul A. Braden  
Fulbright & Jaworski L.L.P.  
2200 Ross Ave., Suite 2800  
Dallas, Texas 75201  
El Paso Phone: (915) 351-6053  
pbraden@fulbright.com

**SECTION 4:** It is officially found, determined and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

**SECTION 5:** This Resolution shall be in force and effect from and after its passage on the date shown below.

**SECTION 6:** The Mayor and City Manager are hereby authorized to sign any and all documents required to further the application the subject of this Resolution.

PASSED AND ADOPTED, this \_\_\_\_\_ day of August, 2009.

CITY OF EL PASO, TEXAS

\_\_\_\_\_  
John F. Cook, Mayor

ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Charlie McNabb, City Attorney



TO: Joyce A. Wilson, City Manager  
El Paso, Texas

FROM: Robert D. Andron, General Counsel   
El Paso Water Utilities Public Service Board

DATE: July 24, 2009

SUBJECT: Request to place Item City Council Agenda – August 4, 2009

Discussion and Action on a resolution authorizing the President/CEO of El Paso Water Utilities to submit to the Texas Water Development Board an application for financial assistance through the Drinking Water State Revolving Fund under the American Recovery and Reinvestment Act of 2009 to provide for the purchase of \$2,721,000 of City of El Paso, Texas Municipal Drainage Utility System Revenue Bonds to fund a certain drinking water infiltration pond project listed as an eligible green project in the DWSRF Intended Use Plan; and providing an effective date. **(District #2)** (Contact person: Edmund G. Archuleta, P.E., 594-5501)

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**RESOLUTION INTRODUCTION AND PASSAGE – City Council Agenda – July 14, 2009**

**Background**

The Federal Government enacted the American Recovery and Reinvestment Act of 2009 (“ARRA”) to provide for, among other things, investment in infrastructure throughout the United States and the Texas Water Development Board (“TWDB”) is the administrative agency charged with implementing the ARRA in Texas. The TWDB has established a financial assistance program, the Drinking Water State Revolving Fund (“DWSRF”) to assist in construction improvements to the City’s water utilities system.

Under the ARRA the TWDB is offering 0% loans for eligible green projects in Texas and the El Paso Municipal Drainage Utility System (MDUS) has a green project known as the Van Buren Infiltration Basin Project which is an eligible green project in the DWSRF, Intended Use Plan (“IUP”) approved by the TWDB on July 16, 2009.

By Resolution dated July 22, 2009, the El Paso Water Utilities Public Service Board (“EPWU”) found that it is in the best interest of its ratepayers to submit an application to the TWDB for financial assistance to accomplish the Van Buren Infiltration Basin Project which is a TWDB eligible green project. The Resolution also requests the City Council to authorize the President/CEO of the El Paso Water Utilities to submit an application to the TWDB for financial assistance for the DWSRF to purchase City of El Paso, Texas Municipal Drainage Utility System Revenue Bonds in the amount of \$2,721,000.00.

City Manager Joyce A. Wilson  
Department Memo, July 24, 2009  
Request for Item for City Council Agenda  
**Resolution—Introduction and Passage - August 4, 2009**  
Page 2

**ACTION REQUESTED**

That the President/CEO of the El Paso Water Utilities be authorized by the City Council to submit to the TWDB an application for financial assistance through the DWSRF under the ARRA to provide for the purchase of \$2,721,000.00 of City of El Paso, Texas Municipal Drainage Utility System Revenue Bonds to fund a certain drinking water infiltration pond green project listed as eligible in the DWSRF Intended Use Plan as of July 16, 2009.

**REQUEST TO PLACE ITEM ON THE CITY COUNCIL AGENDA**

Attached is a copy of the Resolution. Upon adoption and approval of the Resolution, it is requested that the City Clerk provide to this office a copy of the fully executed Resolution for the TWDB application.

Please advise this office of the placement of this item on the City Council Agenda and my Secretary will contact the City Clerk and make arrangements to have document packets hand-delivered to the City Clerk's Office and email backup documents as noted to those listed below. If there are any questions, please call me at 594-5607 or email [bandron@epwu.org](mailto:bandron@epwu.org). Utility staff will plan to attend the City Council meeting on Tuesday, August 4, 2009. Thank you for your kind attention to this matter.

Attachments

Cc: The Honorable Mayor John Cook (email)  
City Council Representatives (email)  
Pat Adatao, Deputy City Manager for Building & Planning Services (email)  
Charlie McNabb, City Attorney (email)  
Theresa Cullen, Deputy City Attorney (email)  
Richarda Duffy-Momsen, City Clerk (hard copies & email)  
Nicholas J. Costanzo, Vice President of Strategic, Financial & Management Services (email)  
Marcela Navarrete, Chief Finance Officer, PSB (email)

## RESOLUTION

A RESOLUTION REQUESTING THE EL PASO CITY COUNCIL AUTHORIZE THE APPLICATION BY THE PRESIDENT/CEO OF EL PASO WATER UTILITIES TO THE TEXAS WATER DEVELOPMENT BOARD FOR FINANCIAL ASSISTANCE THROUGH THE DRINKING WATER STATE REVOLVING FUND AS FUNDED BY THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FOR \$2,721,000 OF CITY OF EL PASO MUNICIPAL DRAINAGE REVENUE BONDS FOR THE VAN BUREN INFILTRATION BASIN PROJECT; AND PROVIDING AN EFFECTIVE DATE.

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WHEREAS, the American Recovery and Reinvestment Act of 2009 ("ARRA"), enacted by the United States Congress and signed into law February 17, 2009, provides for, among other things, investment in infrastructure throughout the United States; and,

WHEREAS, the Texas Water Development Board ("TWDB") is the Texas administrative agency charged with implementing ARRA funding of projects within the State of Texas which it does through various funding programs, one of which is the Drinking Water State Revolving Fund ("DWSRF"); and,

WHEREAS, the El Paso Water Utilities ("EPWU"), based on a second call for projects from the TWDB, submitted the Van Buren Infiltration Basin Project as an eligible for ARRA money stormwater project relating to Green Projects by the June 1, 2009 TWDB deadline; and,

WHEREAS, the TWDB assesses projects as eligible or not under their Intended Use Plan ("IUP") for the DWSRF and the Van Buren Infiltration Basin Project was determined to be an eligible project and also eligible for 0% loan funding under the DWSRF; and,

WHEREAS, the El Paso Water Utilities Public Service Board (PSB) finds that it is in the best interest of its ratepayers for the Van Buren Infiltration Basin Project to be constructed using DWSRF funding.

**NOW, THEREFORE, BE IT RESOLVED** by the Public Service Board of the City of El Paso El Paso Water Utilities:

**Section 1.** The findings and recitations set out in the preamble to this Resolution are true and correct and are hereby adopted by the PSB and made a part of this Resolution for all purposes.

**Section 2.** The PSB hereby requests the City Council of the City of El Paso, Texas, to authorize the application by the President/CEO of El Paso Water Utilities to the Texas Water Development Board ("TWDB") for financial assistance through the Drinking Water State Revolving Fund ("DWSRF") as funded by the American Recovery and Reinvestment Act of 2009 ("ARRA") for \$2,721,000 of City of El Paso Municipal Drainage Revenue Bonds, pursuant to the Bond Ordinance to such effect to be introduced at an El Paso City Council meeting and subsequently duly passed, to finance the construction of the Van Buren Infiltration Basin Project.

**Section 3.** The President/CEO, the Vice-President or Chief Financial Officer of the El Paso Water Utilities, either one or more of them, shall be and are hereby designated to be the authorized representatives of the City for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the TWDB.

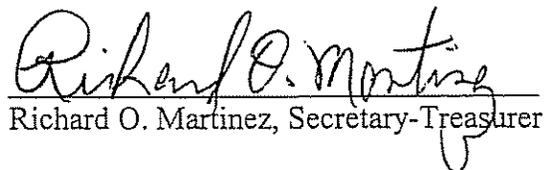
**Section 4.** That the City Council hereby ratifies and approves all actions taken by the President/CEO of the El Paso Water Utilities, the City's Financial Advisor, and the City's Co-Bond Counsel with respect to this matter.

**Section 5.** That a copy of this Resolution shall be transmitted to the City Attorney's Office and an original to the Texas Water Development Board.

**PASSED and APPROVED** at a regular meeting of the City of El Paso, El Paso Water Utilities Public Service Board, this 22nd day of July, 2009, the Resolution's effective date, at which meeting a quorum was present, said meeting being held in accordance with the provisions of V.T.C.A. Government Code, Sections 551.001 et. seq.

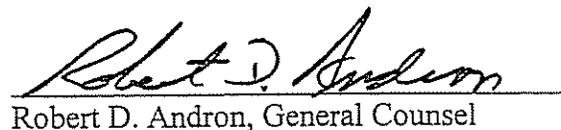
PUBLIC SERVICE BOARD

ATTEST:

  
Richard O. Martinez, Secretary-Treasurer

  
Ruben E. Guerra, Chair

APPROVED AS TO FORM:

  
Robert D. Andron, General Counsel



## Financing EPWU Stormwater Projects

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American Recovery and Reinvestment Act  
Texas Water Development Board  
Drinking Water State Revolving Fund



Stormwater  
August 4, 2009

## Financing Stormwater Projects

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- American Recovery and Reinvestment Act Bonds (ARRA bonds) managed by the Texas Water Development Board (TWDB)
- Build America Bonds
- North American Development Bank/Border Environment Cooperation Commission – NADBk/BECC
- EPA, Department of Energy and other grant opportunities



Stormwater

## Financing Stormwater Projects

- DWSRF solicitations went out May 21, 2009 for green projects, with responses due by June 1, 2009
- EPWU applied for funding for a stormwater infiltration basin project in May 2009
- TWDB offered the Utility \$2.721million in DWSRF ARRA Bonds at 0% interest for the Van Buren Infiltration Basin
- The Utility would like to accept the offer for the Van Buren Infiltration Basin for \$2,721,000 at 0%

## Van Buren Dam

- Level of Protection
  - Upgraded to TCEQ standards
- Total Cost
  - \$2,510,000
- Number of Properties Improved
  - 368
- Residential Value Improved
  - \$26,756,681
- Commercial/Industrial Improved
  - \$6,074,000
- Significant Benefits
  - Upgrade Van Buren Dam to meet TCEQ standards
  - Reduce downstream flooding



## Financing Stormwater Projects

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- The President/CEO sent a letter on July 24, 2009 to TWDB notifying them of our intent to apply for funding of this project
- TWDB also requires a resolution from the PSB and City Council to approve the application for the \$2,721,000 in TWDB ARRA Bonds
- This response must be received by August 18, 2009 including final plans and specs or the offer will be retracted by TWDB and will be offered to other Utilities in a priority manner



## Financing Stormwater Projects

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- The 0%, twenty year bonds provides a significant savings in costs to our customers
- The Utility will save \$1.9 million in interest costs by taking advantage of this program



## Financing Stormwater Projects

- No increase in rates is required in the financial plan due to the favorable low cost financing
- First Southwest Co. will go over the bond schedule and financing



City of El Paso – Public Service Board

Texas Water Development Board DWSRF Application

August 4, 2009

Presented By:



## **Board Action Items**

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Request that the City Council adopt a resolution requesting financial assistance from the Texas Water Development Board via an application submitted for the issuance of Municipal Drainage Utility Bonds through the Drinking Water State Revolving Fund in the amount of \$2,721,900

### **Drinking Water State Revolving Fund Loan**

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- The El Paso Water Utilities/Public Service Board (PSB) has been designated funding from the American Reinvestment and Recovery Act
- Monies for this particular loan are flowing through the Texas Water Development Board's Drinking Water State Revolving Fund
- Projected interest rate of 0%
- Total debt service savings compared to issuing the bonds on the open market are expected to be approximately \$1.9 million (based on assumed 5.06% open market rate)

## Series 2009 Projected Debt Service

| FYE      | Principal           | Coupon | Interest    | Total P+I           |
|----------|---------------------|--------|-------------|---------------------|
| 02/28/10 | -                   |        | -           |                     |
| 02/28/11 | -                   |        | -           | -                   |
| 02/28/12 | -                   |        | -           | -                   |
| 02/28/13 | 137,000             | 0%     | -           | 137,000             |
| 02/28/14 | 136,000             | 0%     | -           | 136,000             |
| 02/28/15 | 136,000             | 0%     | -           | 136,000             |
| 02/28/16 | 136,000             | 0%     | -           | 136,000             |
| 02/28/17 | 136,000             | 0%     | -           | 136,000             |
| 02/28/18 | 136,000             | 0%     | -           | 136,000             |
| 02/28/19 | 136,000             | 0%     | -           | 136,000             |
| 02/28/20 | 136,000             | 0%     | -           | 136,000             |
| 02/28/21 | 136,000             | 0%     | -           | 136,000             |
| 02/28/22 | 136,000             | 0%     | -           | 136,000             |
| 02/28/23 | 136,000             | 0%     | -           | 136,000             |
| 02/28/24 | 136,000             | 0%     | -           | 136,000             |
| 02/28/25 | 136,000             | 0%     | -           | 136,000             |
| 02/28/26 | 136,000             | 0%     | -           | 136,000             |
| 02/28/27 | 136,000             | 0%     | -           | 136,000             |
| 02/28/28 | 136,000             | 0%     | -           | 136,000             |
| 02/28/29 | 136,000             | 0%     | -           | 136,000             |
| 02/28/30 | 136,000             | 0%     | -           | 136,000             |
| 02/28/31 | 136,000             | 0%     | -           | 136,000             |
| 02/28/32 | 136,000             | 0%     | -           | 136,000             |
|          | <u>\$ 2,721,000</u> |        | <u>\$ -</u> | <u>\$ 2,721,000</u> |

## Timetable of Events

### DWSRF Loan

|                                                           |                    |
|-----------------------------------------------------------|--------------------|
| PSB Requests City Resolution for Application to TWDB..... | July 22, 2009      |
| City Authorizes Request for Financial Assistance.....     | August 4, 2009     |
| Application Submitted to the TWDB.....                    | August 18, 2009    |
| TWDB Board Considers Application (TBD).....               | September 17, 2009 |
| PSB Requests City Sell Bonds.....                         | September 23, 2009 |
| City Approves Sale of Revenue Bonds to the TWDB.....      | October 6, 2009    |
| Closing and Delivery of Funds.....                        | November 3, 2009   |