
Meeting Date: May 20, 2026
Staff Contact: Marta Ortiz, Chief Financial Officer

TITLE: R-26-16 – Authorizing and Approving Submission of an Application for Financial Assistance to the New Mexico Finance Authority; and Making Certain Findings in Connection Therewith

ACTION: Recommend Approval

SUMMARY:

This legislation authorizes and approves the submission of an application to the New Mexico Finance Authority (NMFA) for financial assistance to support the refunding, refinancing, and defeasing of certain outstanding System indebtedness of the Albuquerque Bernalillo County Water Utility Authority (Water Authority), and to pay related professional fees. The resolution further designates authorized officers to execute documents and take actions necessary to complete the application and facilitate a potential financing transaction with the NMFA.

The Water Authority is a qualified entity under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978, and is authorized to borrow funds and issue debt to finance or refinance public projects for the benefit of its customers. The New Mexico Finance Authority has established programs that provide financial assistance for public projects through its Public Project Revolving Fund and requires governing body approval as part of the application process.

The Water Authority has determined that there is a public need to refund, refinance, and defease certain outstanding System indebtedness in order to support the long-term financial management of the utility and benefit the public it serves. The proposed refinancing may be accomplished through the issuance of bonds purchased by the NMFA or through a loan agreement with the NMFA.

The application required by the NMFA has been prepared and is being presented to the NMFA Board of Directors for approval and authorization of submission.

Approval of this resolution authorizes the submission of the completed application to the NMFA and designates the Chair of the Board, the Executive Director, and/or the Chief Financial Officer as authorized representatives to provide information and execute documents required in connection with the application process. Adoption of this resolution also ratifies prior actions taken by the Water Authority and its staff related to the application and the proposed refinancing project.

Any subsequent issuance of bonds or other debt obligations by the Water Authority will be subject to separate Board approval and conducted in accordance with the Water Authority's customary policies and procedures governing debt issuance.

FISCAL IMPACT:

Approval of this resolution does not, by itself, authorize the issuance of debt or commit the Water Authority to a financing transaction. Any financial impacts associated with the refunding or refinancing of System indebtedness will be presented to the Board in a separate action for consideration and approval, as required.

COMMENTS:

Staff recommends authorizing and approving the submission of an application for financial assistance to the New Mexico Finance Authority and designating authorized representatives to carry out the actions necessary to support the application process.

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

**ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY**

BILL NO. R-26-16

RESOLUTION

**AUTHORIZING AND APPROVING SUBMISSION OF AN APPLICATION FOR
FINANCIAL ASSISTANCE TO THE NEW MEXICO FINANCE AUTHORITY; AND
MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH**

WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (the “Water Authority”) is a qualified entity under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978 (the “Act”), and the governing body of the Water Authority (the “Governing Body”) is authorized to borrow funds and/or issue bonds for financing and refinancing public projects for the benefit of the Water Authority; and

WHEREAS, the New Mexico Finance Authority (the “NMFA”) has instituted a program for financing public projects from the public project revolving fund created under the Act and has developed an application procedure whereby the Governing Body may submit an application (the “Application”) for financial assistance to the NMFA for public projects; and

WHEREAS, the Water Authority hereby finds and determines that there is a public need for the refunding, refinancing and defeasing of certain of the Water Authority’s outstanding System indebtedness for the benefit of the public served by the Water Authority; and

WHEREAS, the Water Authority seeks to refund, refinance and defease certain outstanding System indebtedness via the issuance of bonds to be purchased by the NMFA or by entering into a loan agreement with the NMFA; and

WHEREAS, the Application has been completed and submitted to the Governing Body and this resolution approving submission of the completed Application to the NMFA for its consideration and review is required as part of the Application; and

32 WHEREAS, it is hereby officially found and determined that public notice of
33 the time, place, and purpose of said meeting was given, all as required by the Laws
34 of the State of New Mexico.

35 BE IT RESOLVED BY THE BOARD OF THE WATER AUTHORITY:

36 1. That all prior action taken by the Water Authority, the Governing Body
37 and the officers and employees thereof in connection with the Application and the
38 Project (defined below), is hereby ratified, approved and confirmed.

39 2. The Application is hereby approved and authorized to be submitted to
40 the NMFA seeking financial assistance to provide for (i) the refunding, refinancing
41 and defeasing of certain outstanding System indebtedness and (ii) paying related
42 professional fees in connection with such refinancing thereof (the "Project").

43 3. That the Chair of the Board, the Executive Director and/or the Chief
44 Financial Officer of the Authority are hereby designated the authorized
45 representatives of the Water Authority (each an "Authorized Officer") for the purpose
46 of furnishing such information and executing such documents as may be required or
47 necessary in connection with the preparing and filing of the Application.

48 4. Each Authorized Officer is authorized, empowered and directed to take
49 or cause to be taken all such acts and to execute and deliver all such documents as
50 may be necessary to carry out and comply with the provisions of this Resolution,
51 including the execution and submission of the Application and the undertaking of any
52 and all additional actions necessary or required to facilitate a financing transaction
53 with the NMFA; provided however that the authorization and approval of any bonds
54 or other debt obligations by the Water Authority will be undertaken in accordance
55 with the Water Authority's customary practices and procedures relating to the
56 issuance of bonds or other debt obligations.

57 5. This resolution shall take effect immediately upon its adoption.

58

59

[EXECUTION PAGE FOLLOWS]

60

61

62

PASSED AND ADOPTED THIS May 20, 2026.

63 BY A VOTE OF ___ FOR AND ___ AGAINST.

64

65

66

67

Chair

68 ATTEST:

69

70

71

72

Secretary

73

74

75

76

77

78

79

80

Albuquerque Bernalillo County Water Utility Authority

Outstanding Debt and Refunding
Overview

May 20, 2026



Capital
Markets

Outstanding Debt Summary

Issue	Bond Type	Lien	Original Amount	Amount Outstanding	Callable Amount Outstanding	Call Date	Coupons	Final Maturity
Series 2014A	Fixed Rate	Senior	\$ 97,270,000	\$ 10,255,000	\$ 10,255,000	7/1/2024 @ 100%	4.025%	2026
Series 2017	Fixed Rate	Senior	87,970,000	51,185,000	39,530,000	7/1/2027 @100%	3.375% to 5.000%	2034
Series 2018	Fixed Rate	Senior	75,085,000	39,135,000	32,055,000	7/1/2026 @100%	5.000%	2030
Series 2020	Fixed Rate	Senior	69,440,000	44,670,000	25,520,000	7/1/2028 @ 100%	5.000%	2032
Series 2020A	Fixed Rate	Senior	47,800,000	21,925,000	15,225,000	7/1/2029 @ 100%	1.250% - 2.700%	2038
Series 2021	Fixed Rate	Senior	73,255,000	65,650,000	43,855,000	7/1/2029 @ 100%	3.000% - 5.000%	2046
Series 2023	Fixed Rate	Senior	113,425,000	113,425,000	62,065,000	7/1/2033 @ 100%	5.000% - 5.250%	2048
2024 DW-6343	Fixed Rate	Senior	770,000	770,000	155,542	5/24/2034 @ 100%	0.250%	2036
2025 New Money	Fixed Rate	Senior	82,080,000	82,080,000	28,125,000	7/01/2035 @ 100%	5.000%	2050
2025 Refunding	Fixed Rate	Senior	82,340,000	82,340,000	-	Non-Callable	5.000%	2033
TOTAL SENIOR LIEN DEBT			\$ 729,435,000	\$ 511,435,000	\$ 256,785,542			
Series 2008	Fixed Rate	Subordinate	\$ 12,000,000	\$ 2,894,616	\$ 2,894,616	7/1/2024 @ 100%	2.000%	2030
WPF Loans	Fixed Rate	Subordinate	3,341,654	2,965,692	2,965,692	Callable Anytime	0.250%	2042 - 2044
TOTAL SUBORDINATE LIEN DEBT			\$ 15,341,654	\$ 5,860,308	\$ 5,860,308			
NMED Loan CWSRF EQ 147	Fixed Rate	Super Sub.	\$ 4,000,000	\$ 4,000,000	-	N/A	0.010%	2044
NMED Loan CWSRF EQ 151	Fixed Rate	Super Sub.	9,000,000	9,000,000	-	N/A	0.010%	2045
WPF Loans	Fixed Rate	Super Sub.	590,000	680,250	-	N/A	0.250%	2045 - 2047
TOTAL SUPER SUBORDINATE LIEN DEBT			\$ 13,590,000	\$ 13,680,250	\$ -			
TOTAL DEBT			\$ 758,366,654	\$ 530,975,558	\$ 262,645,850			

Refunding Overview

- The Water Utility Authority's Series 2018 Bonds are callable July 1, 2026, and can be refinanced for interest rate savings
- The refunding savings based upon current market conditions* are as follows:

Maturity Date	Annual Savings			Present Value Savings
	Prior Debt Service	Refunding Debt Service	Savings	
07/01/2027	\$9,037,750	\$8,694,540	\$343,210	\$343,188
07/01/2028	9,041,000	8,608,419	432,581	416,131
07/01/2029	9,040,500	8,606,816	433,684	405,140
07/01/2030	9,040,500	8,606,260	434,240	393,850
	\$36,159,750	\$34,516,035	\$1,643,715	\$1,558,308
PV of Savings			\$1,558,308	
Plus: Refunding Funds on Hand			546	
Net PV Savings			1,558,854	
Net PV Savings			4.861%	

- Due to the size of the borrowing the ABCWUA refunding will have to done as a simultaneous financing with the NMFA (similar to prior ABCWUA borrowings through the NMFA)
- The next NMFA simultaneous financing is expected to price mid-August.
- To meet the timing of the NMFA's simultaneous financing all Water Authority Board approvals must occur prior to the end of July.

*Assumes Cost of Issuance of \$120,000 and NMFA Rates as of May 7, 2026.

Series 2026 Refunding Time Schedule

Date	Activity	Responsibility
Friday, March 06, 2026	Submit Draft NMFA Application to NMFA For Placement on June Agenda	WUA, MA
Wednesday, May 20, 2026	ABCWUA Board Meeting - Approval of Bond Resolution and NMFA Application	WUA, MA, BC
Thursday, May 21, 2026	Submit Signed Final Application and Signed Resolution to NMFA	WUA, FA, BC, DC
Monday, May 25, 2026	Notice of Adoption of Bond Resolution Published	BC
Wednesday, June 24, 2026	30 Day Statute of Limitation Ends	
Thursday, June 25, 2026	NMFA Board Meeting to Approve ABCWUA Application	WUA, MA, BC
Thursday, July 23, 2026	NMFA Board Meeting to Approve PPRF Simultaneous Financing	MA
Thursday, August 13, 2026	* NMFA Bonds - Post POS	
Thursday, August 27, 2026	* Simultaneous Pricing	WUA, MA, BC
Thursday, August 27, 2026	* Pricing Certificate Signed by Water Authority	WUA, BC
Thursday, September 10, 2026	* Closing	ALL
Wednesday, September 16, 2026	ABCWUA Board Meeting - Update Board on Pricing Results	WUA, MA

Working Group Key

Code	Participant	Role
WUA	Albuquerque Bernalillo County Water Utility Authority	Issuer
MA	RBC Capital Markets, LLC	Municipal Advisor
BC	McCall, Parkhurst & Horton L.L.P.	Bond Counsel
NMFA	New Mexico Finance Authority	Purchaser

Note 1: Authority Board meeting 3rd Wednesday of each month. No Authority Board meetings in June or July in 2026

Note 2: Publications in The Albuquerque Journal

* Preliminary. Subject to change.

Macroeconomic Commentary

Economic Commentary

- Market conditions remain volatile as uncertainty stemming from the war in Iran continues to drive sentiment
- US equities rallied last week, propelled by strong corporate earnings and positive sentiment around AI investment
 - The DJIA rose 0.6%, while the S&P500 and Nasdaq closed out the week at new historic highs, gaining 0.9% and 1.1%, respectively
- A divided FOMC left rates unchanged on Wednesday, with four officials dissenting – the highest since 1992
 - Gov. Miran dissented again in favor of a 25bp cut, while Logan/Hammack/Kashkari dissented as they “did not support inclusion of an easing bias in the statement”
- Treasuries sold off after the FOMC meeting, hitting their April peak, before rallying back on Thursday
- The Senate Finance Committee voted in favor of Kevin Warsh to succeed Chair Powell, and a full Senate vote is expected during the week of May 11th
 - Chair Powell said he intends to remain at the Fed as a governor for a period of time to ensure Fed independence
- First-quarter GDP grew at an annual rate of 2.0%, below the Bloomberg consensus of 2.3% but up from 0.5% during Q4 '25
- Economic highlights this week include ISM Services, JOLTS, ADP, jobless claims, April payrolls, and U. MI consumer sentiment
 - The Bloomberg consensus calls for non-farm payroll gains of 65k in April, along with an unchanged unemployment rate of 4.7%

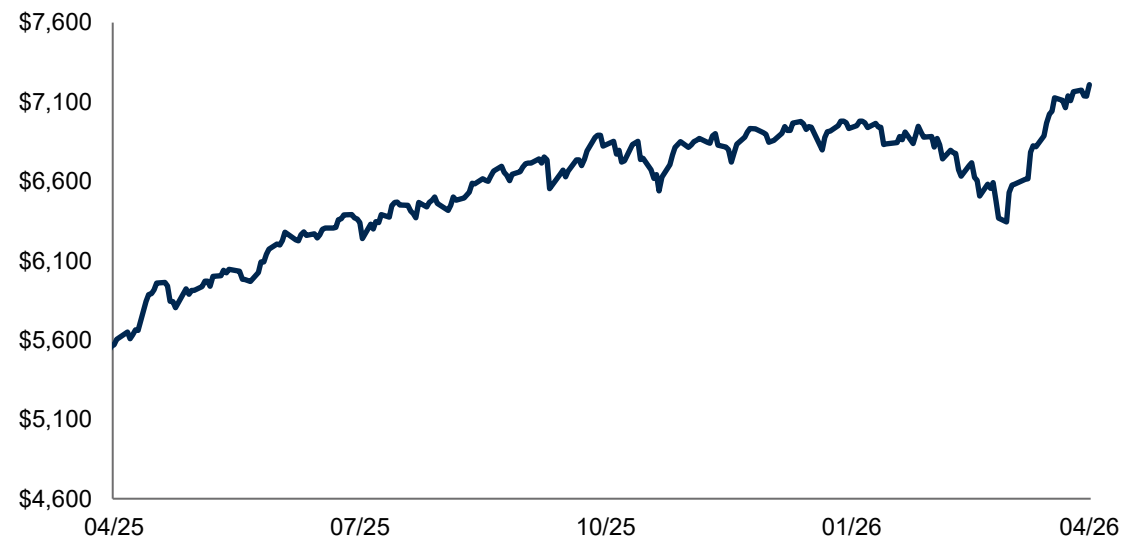
Bloomberg

Stock Rally Wavers as Oil Climbs on Hormuz Risks

(Bloomberg: May 4, 2026)

- A rally in stocks wavered as oil climbed due to concerns about heightened tensions in the Middle East, which could keep energy costs elevated and fuel inflation.
- The S&P 500 fluctuated following its longest weekly advance since 2024, Brent crude jumped more than 5% before paring its gain to trade above \$110, and Treasury yields advanced.
- The situation in the Strait of Hormuz, which has been virtually blocked since late February, has become a focal point in the current conflict.

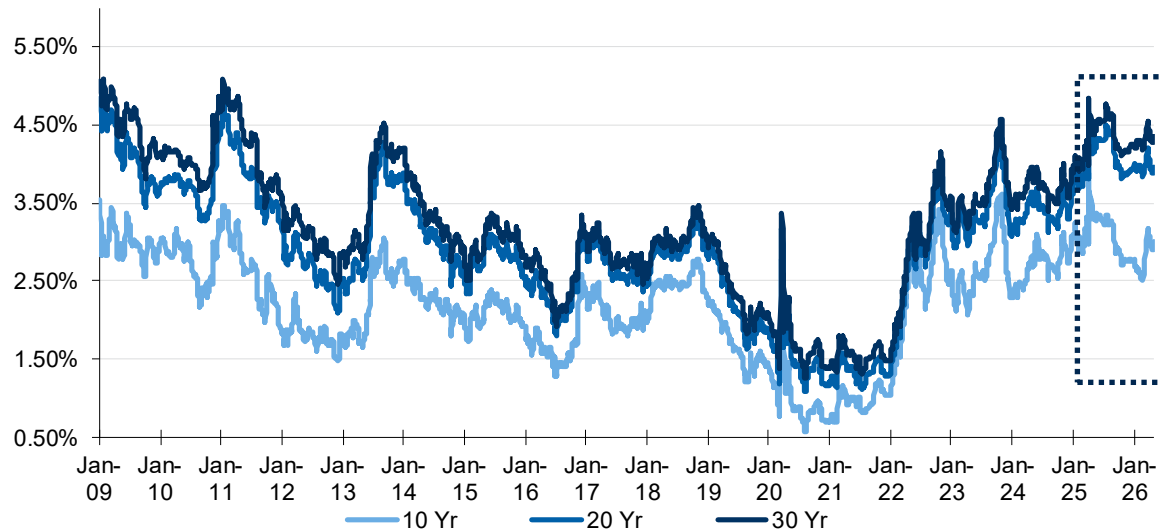
Stock Market Performance (S&P 500)



Current Municipal Market Conditions: “AAA” MMD

After closing at 4.33% the previous week, 30-year “AAA” MMD has decreased by two basis points to 4.31%.

“AAA” MMD January 1, 2009 to Present



Shift in “AAA” MMD Since January 2025



January 1, 2009 to Present

	10 Year	20 Year	30 Year
Maximum	3.89%	4.89%	5.08%
Minimum	0.58%	1.08%	1.27%
Current	2.96%	3.93%	4.31%

Shift in 30-year “AAA” MMD

	2019	2020	2021	2022	2023	2024	2025
	-0.90%	-0.68%	0.09%	2.08%	-0.15%	0.47%	0.35%

May 1, 2022 to Present

	10 Year	20 Year	30 Year
Maximum	3.89%	4.66%	4.84%
Minimum	2.08%	2.38%	2.51%
Average	2.80%	3.57%	3.81%

Source: Refinitiv
10, 20, and 30 year “AAA” MMD shown to represent different average lives of municipal transactions
Rates as of May 07, 2026.

Disclaimer

Sources include: https://www.rbccm.com/assets/rbccm/docs/uploads/2017/RBCCM_Muni_Markets_Weekly_Newsletter.pdf, <http://www.rbc.com/economics/>, RBC Capital Markets.

This communication is not a research report or a product of RBC Capital Markets' Research Department. This communication is intended for institutional investors and may not be independent of RBC Capital Markets' proprietary interests. RBC Capital Markets may trade the securities discussed in this communication for its own account and on a discretionary basis on behalf of certain clients.

This announcement is not an offer, solicitation, commitment or recommendation to buy or sell the bonds and does not purport to be a complete statement of all material facts relating to the bonds. The offering is made only by means of the Official Statement, copies of which may be obtained from RBC Capital Markets. This communication is not, and under no circumstances should be construed as, a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. Bonds are subject to availability and price or yield may differ, as applicable.

Products and services are offered through RBC Capital Markets or RBC Wealth Management, as applicable. RBC Capital Markets may buy from or sell to customers on a principal basis in the securities or related derivatives that are the subject of this communication. RBC Capital Markets has or may have proprietary positions in the securities or in related derivatives that are the subject of this communication. RBC Capital Markets may have been manager or co-manager of a public offering of securities of the issuer within the past twelve months. Additional information is available upon request.

All information contained in this communication constitutes RBC Capital Markets' judgment as of the date of this communication, and is subject to change without notice and is provided in good faith but without legal responsibility. The information contained in this communication has been compiled by RBC Capital Markets from sources believed to be reliable, but no representation or warranty, express or implied, is made by RBC Capital Markets, its affiliates or any other person as to its accuracy, completeness or correctness.

The material contained herein is not a product of any research department of RBC Capital Markets or any of its affiliates. Nothing herein constitutes a recommendation of any security or regarding any issuer; nor is it intended to provide information sufficient to make an investment decision.

RBC Capital Markets is not acting as a fiduciary or as a municipal, financial, commodity or investment adviser. The information provided is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. Nothing in this communication constitutes legal, accounting or tax advice or individually tailored investment advice. This material has been prepared without regard to the individual financial circumstances and objectives of persons who receive it and such investments or services may not be suitable for all investors. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Potential investors are advised to consult with their own legal, accounting, tax, financial and other advisors, as applicable, to the extent appropriate.

This document may not be reproduced, disclosed, distributed or summarized, whole or in part, to any third party without the prior consent of RBC Capital Markets. To the fullest extent permitted by law neither RBC Capital Markets, nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this communication or the information contained herein.

This advertisement is for informational purposes only. RBC Capital Markets is the global brand name for the capital markets business of Royal Bank of Canada and its affiliates, including RBC Capital Markets, LLC (member FINRA, NYSE and SIPC). ®/™ Trademark(s) of Royal Bank of Canada. Used under license. © Copyright 2025. All rights reserved.

Disclaimer

This presentation was prepared exclusively for the benefit of and internal use by the recipient for the purpose of considering the transaction or transactions contemplated herein. This presentation is confidential and proprietary to RBC Capital Markets, LLC (“RBCCM”) and may not be disclosed, reproduced, distributed or used for any other purpose by the recipient without RBCCM’s express written consent.

By acceptance of these materials, and notwithstanding any other express or implied agreement, arrangement, or understanding to the contrary, RBCCM, its affiliates and the recipient agree that the recipient (and its employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the tax treatment, structure or strategy of the transaction and any fact that may be relevant to understanding such treatment, structure or strategy, and all materials of any kind (including opinions or other tax analyses) that are provided to the recipient relating to such tax treatment, structure, or strategy.

The information and any analyses contained in this presentation are taken from, or based upon, information obtained from the recipient or from publicly available sources, the completeness and accuracy of which has not been independently verified, and cannot be assured by RBCCM. The information and any analyses in these materials reflect prevailing conditions and RBCCM’s views as of this date, all of which are subject to change.

To the extent projections and financial analyses are set forth herein, they may be based on estimated financial performance prepared by or in consultation with the recipient and are intended only to suggest reasonable ranges of results. The printed presentation is incomplete without reference to the oral presentation or other written materials that supplement it.

IRS Circular 230 Disclosure: RBCCM and its affiliates do not provide tax advice and nothing contained herein should be construed as tax advice. Any discussion of U.S. tax matters contained herein (including any attachments) (i) was not intended or written to be used, and cannot be used, by you for the purpose of avoiding tax penalties; and (ii) was written in connection with the promotion or marketing of the matters addressed herein. Accordingly, you should seek advice based upon your particular circumstances from an independent tax advisor.

© Copyright 2025.

