

Albuquerque Bernalillo County Water Utility Authority

Overview of 2014 Financing

\$97,165,000* Senior Lien Joint Water and Sewer System Refunding Revenue Bonds, Series 2014A

\$87,990,000* Subordinate Lien Joint Water and Sewer System Refunding Revenue Bonds, Series 2014B



*Preliminary; subject to change

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Summary of 2014 Financing Goals and Objectives

- The Authority is issuing senior and subordinate lien debt for the purposes of:
 - Achieving cashflow and present value savings
 - Restructure Senior Lien and Subordinate Lien debt to better align with policy goals and objectives
- The Authority seeks to achieve these goals by refunding, restructuring, or paying off with cash various outstanding loans and bonds

Obligation	Before Refunding		After Refunding	
	Lien	Rate Covenant	Lien	Rate Covenant
Series 2005 Bonds	Senior	1.33x	Subordinate	1.20x
2005 NMFA Loan	Senior	1.33x	Senior	1.33x
Series 2006A Bonds	Senior	1.33x	Senior	1.33x
Series 2001 NMED Loan	Subordinate	1.33x	Subordinate	1.20x
Various 2010 Drinking Water Loans	Subordinate	1.25x	Paid Off	

- After this transaction, all outstanding subordinate lien obligations will have a 1.20x rate covenant while senior lien obligations will remain with a 1.33x rate covenant
- Senior Lien ABT will remain at 1.33x, while Subordinate Lien ABT will require that Subordinate Lien coverage will be at least 1.20x **AND** that Senior Lien coverage will be at least 1.33x
- The Authority’s financial policy going forward sets their target debt service coverage at 1.50x

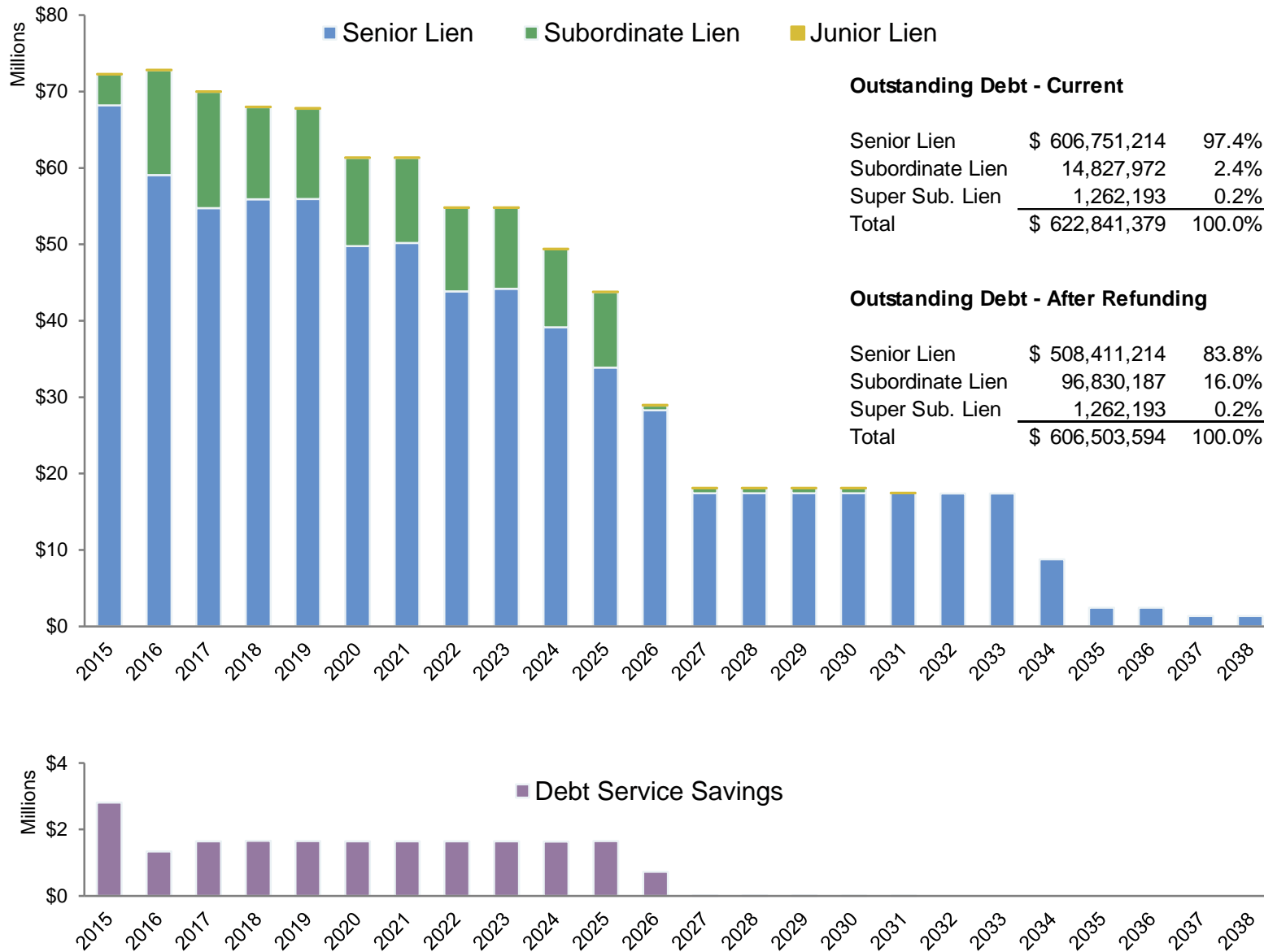
² Source: POS pages 2-6, 17-20, and 57

Transaction Summary

	Senior Lien Joint Water and Sewer System Refunding Revenue Bonds, Series 2014A	Subordinate Lien Joint Water and Sewer System Refunding Revenue Bonds, Series 2014B
Issuer:	Albuquerque Bernalillo County Water Utility Authority	
Approximate Par:	\$97,165,000*	\$87,990,000*
Ratings:	Moody's: Aa2 Standard & Poor's: AA+ Fitch: AA	Moody's: Aa3 Standard & Poor's: AA Fitch: AA
Security:	System Net Revenues - Senior Lien	System Net Revenues - Subordinate Lien
Structure*:	Fixed rate matched maturities consistent with refunded bonds (2016 to 2026)	Fixed rate matched maturities consistent with refunded bonds (2015 to 2025)
Optional Redemption*:	Ten Year Par Call at 100%	10 Year Par Call at 100%
Purpose:	Refunding of all or a portion of outstanding 2006A Bonds and 2005 NMFA PPRF Loan	Refunding of all or a portion of outstanding 2005A Bonds and 2001 NMED Wastewater Loan
Objective:	Achieve annual cash flow and present value savings and restructure Senior Lien and Subordinate Lien debt to better align with policy goals and objectives	
Sr. Manager:	J.P. Morgan	
Co-Managers:	R. W. Baird & Co., Stifel Nicolaus & Co., Piper Jaffray & Co.	

*Preliminary; subject to change

Debt Service After 2014 Refunding – All Debt*



4 * Preliminary, as of August 12, 2014. Subject to change based upon actual marketed rates.

Estimated Total Combined Debt Service and Coverage Ratios*

Year End (July 1)	Senior Lien			Subordinate Lien			Combined		Senior Coverage *	Senior and Subordinate Coverage *
	Outstanding Debt Service	2014A Debt Service *	Combined Debt Service *	Outstanding Debt Service	2014B Debt Service *	Combined Debt Service *	Total Debt Service ^{(1)*}	Net Revenues ⁽²⁾		
2015	60,689,165	3,465,116	64,154,281	634,350	3,394,201	4,028,551	68,182,832	87,726,812	1.37	1.29
2016	49,384,446	5,643,400	55,027,846	635,950	12,980,800	13,616,750	68,644,596	87,726,812	1.59	1.28
2017	38,046,884	12,599,200	50,646,084	637,375	14,490,700	15,128,075	65,774,159	87,726,812	1.73	1.33
2018	39,227,411	12,560,300	51,787,711	638,625	11,332,050	11,970,675	63,758,386	87,726,812	1.69	1.38
2019	39,324,737	12,501,900	51,826,637	634,700	11,102,050	11,736,750	63,563,387	87,726,812	1.69	1.38
2020	37,190,638	12,452,500	49,643,138	635,688	10,838,250	11,473,938	61,117,076	87,726,812	1.77	1.44
2021	37,600,989	12,437,250	50,038,239	636,500	10,449,000	11,085,500	61,123,739	87,726,812	1.75	1.44
2022	31,185,278	12,520,500	43,705,778	637,138	10,233,500	10,870,638	54,576,416	87,726,812	2.01	1.61
2023	31,548,341	12,506,250	44,054,591	637,600	9,883,000	10,520,600	54,575,191	87,726,812	1.99	1.61
2024	26,492,955	12,508,000	39,000,955	637,888	9,518,750	10,156,638	49,157,593	87,726,812	2.25	1.78
2025	21,317,907	12,438,750	33,756,657	638,000	9,161,250	9,799,250	43,555,907	87,726,812	2.60	2.01
2026	17,432,370	10,725,750	28,158,120	637,938		637,938	28,796,058	87,726,812	3.12	3.05
2027	17,428,847		17,428,847	637,700		637,700	18,066,547	87,726,812	5.03	4.86
2028	17,425,948		17,425,948	637,288		637,288	18,063,236	87,726,812	5.03	4.86
2029	17,435,712		17,435,712	636,700		636,700	18,072,412	87,726,812	5.03	4.85
2030	17,433,188		17,433,188	656,125		656,125	18,089,313	87,726,812	5.03	4.85
2031	17,429,498		17,429,498				17,429,498	87,726,812	5.03	5.03
2032	17,379,881		17,379,881				17,379,881	87,726,812	5.05	5.05
2033	17,377,531		17,377,531				17,377,531	87,726,812	5.05	5.05
2034	8,763,031		8,763,031				8,763,031	87,726,812	10.01	10.01
2035	2,427,625		2,427,625				2,427,625	87,726,812	36.14	36.14
2036	2,423,813		2,423,813				2,423,813	87,726,812	36.19	36.19
2037	1,350,500		1,350,500				1,350,500	87,726,812	64.96	64.96
2038	1,349,250		1,349,250				1,349,250	87,726,812	65.02	65.02
Total	567,665,945	132,358,916	700,024,861	10,209,565	113,383,551	123,593,116	823,617,977			

(1) Combined Total Debt Service does not include the Outstanding Super Subordinate Obligations.

(2) Fiscal Year 2013 Net Revenues available for debt service.