



Meeting Date: February 25, 2015
Staff Contact: Mark S. Sanchez, Executive Director

TITLE: R-15-3 - Confirming Approval of the Issuance of Albuquerque Bernalillo County Water Utility Authority (the “Water Authority”) Senior Lien Joint Water and Sewer System Refunding Revenue Bonds, Series 2015A in the Aggregate Principal Amount not to Exceed \$196,000,000 (the "Series 2015A Bonds") and the Senior Joint Water and Sewer System Improvement Revenue Bonds, Series 2015B in the Aggregate Principal Amount not to exceed \$79,000,000 (the “Series 2015B Bonds”); and Ratifying Action Previously Taken in Connection Therewith.

ACTION: Recommend Approval

SUMMARY:

This legislation is the Confirming Resolution for the proposed Senior Lien Joint Water and Sewer System Refunding Revenue Bonds, Series 2015A and Senior Lien Joint Water and Sewer System Improvement Revenue Bonds, Series 2015B. This resolution establishes certain bond final pricing details; provides for the payment of the cost of issuing the bonds; approves disclosure and other documents relating to the bonds; and ratifies previous action taken in connection with the sale of the bonds.

Pending approval of Ordinance O-15-2, this Resolution will authorize the refunding a portion of the following outstanding obligations: the New Mexico Finance Authority Public Project Revolving Fund Loan (2007), the Joint Water and Sewer System Improvement Revenue Bonds, Series 2008A and the Joint Water and Sewer System Improvement Revenue Bonds, Series 2009A-1. This Resolution will also authorize the Sale of Senior Joint Water and Sewer System Improvement Revenue Bonds, Series 2015B. This Confirming Resolution approves the terms, sale price, interest rates, redemption features and other matters with respect to the Bonds.

FISCAL IMPACT:

Based upon current market conditions the refunding will generate approximately \$17.2 million in present value savings or 10.12% of the principal amount of bonds refunded. Annually the refunding is expected to generate approximately \$1.78 million in savings in FY 2015, \$0.93 million in savings in FY 2016 and 2017, \$1.03 million from FY 2018 through FY 2034. Gross Revenues, all income and revenues directly or indirectly derived by the Water Authority from the operation and use of the System less operation and maintenance expenses, are pledged as security for these bonds, consistent with

the Water Authority's prior debt issuances. The term or length of the debt will not be extended.

COMMENTS:

This confirming resolution is required for any bond issuance under the approved Bond Ordinance and requires Water Authority Board approval.

Senior Lien Bond ratings for this issue are as follows: Standard and Poor's (AA+ Stable Outlook), Fitch (AA Stable Outlook) and Moody's (Aa2 Stable Outlook).

A substitute to the floor substitute will be prepared by Bond Counsel which makes technical adjustments to include final pricing terms.

1 SECTION 4. Pursuant to the general laws of the State, the title and general
2 summary of the subject matter contained in the Confirming Resolution shall be
3 published in substantially the following form:

4 **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY**

5 **LEGAL NOTICE**

6 Notice is hereby given that the Board of Directors of Albuquerque Bernalillo
7 County Water Utility Authority did on the 25th day of February, 2015, adopt a resolution
8 entitled:

9 **CONFIRMING APPROVAL OF THE ISSUANCE OF ALBUQUERQUE**
10 **BERNALILLO COUNTY WATER UTILITY AUTHORITY (THE "WATER**
11 **AUTHORITY") SENIOR LIEN JOINT WATER AND SEWER SYSTEM**
12 **REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2015**
13 **IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT**
14 **NOT TO EXCEED \$275,000,000 (THE "BONDS"); AND RATIFYING**
15 **ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.**

16
17 The Confirming Resolution authorizes the issuance of the Bonds. Complete
18 copies of the Confirming Resolution are available for public inspection during normal
19 and regular business hours at the offices of the Water Authority, One Civic Plaza, NW,
20 Albuquerque, New Mexico.

21 Dated this 25th day of February, 2015.

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1 PASSED AND ADOPTED THIS 25TH DAY OF FEBRUARY, 2015. BY A VOTE OF
2 _____ FOR AND _____ AGAINST.

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CHAIR

ATTEST:

SECRETARY