

1 WHEREAS, the Water Authority adopts this resolution pursuant to the authority
2 granted to it in the Bond Legislation and the Act; and

3 WHEREAS, it is in the best interests of the Water Authority to sell the Bonds to
4 the Purchaser upon the terms as set forth in the Bond Legislation and the Bond
5 Purchase Agreement; and

6 WHEREAS, the Preliminary Official Statement, the proposed form of Official
7 Statement, the form of Continuing Disclosure Undertaking, the form of the Escrow
8 Agreement, and the Bond Purchase Agreement are on deposit with the Water Authority
9 and are presented to the Board; and

10 WHEREAS, all required authorizations, consents and approvals of any
11 governmental body, agency or authority in connection with the authorization, execution
12 and delivery of the Bonds, which are required to have been obtained by the date on
13 which the Confirming Resolution is adopted or which will be required to be obtained
14 prior to the date of issuance of the Bonds have been or will have been obtained by such
15 dates;

16 BE IT RESOLVED BY THE BOARD, THE GOVERNING BODY OF
17 ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY:

18 SECTION 1. DEFINITIONS.

19 PURCHASER. J.P. Morgan Securities LLC, Robert W. Baird & Co.,
20 Incorporated, Stifel, Nicolaus & Company, Incorporated, and Piper Jaffray & Co.,
21 collectively, as the original purchasers of the Bonds.

22 SERIES 2014A BONDS. The Albuquerque Bernalillo County Water Utility
23 Authority Senior Lien Joint Water and Sewer System Refunding Revenue Bonds, Series
24 2014A, authorized by the Bond Legislation.

25 SERIES 2014B BONDS. The Albuquerque Bernalillo County Water Utility
26 Authority Subordinate Lien Joint Water and Sewer System Refunding Revenue Bonds,
27 Series 2014B, authorized by the Bond Legislation.

28 CONFIRMING RESOLUTION. This resolution, being Water Authority
29 Resolution No. F/S R-14-10.

30 SECTION 2. RATIFICATION OF PRIOR ACTIONS TOWARD ISSUANCE
31 OF THE BONDS; ASSUMPTION OF PRIOR OBLIGATIONS. All action previously
32 taken (not inconsistent with the provisions of the Bond Legislation) by the Board and the
33 officers of the Water Authority, directed toward the authorization, pledge, collection, and

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1 distribution of the Net Revenues and the authorization, issuance and sale of the Bonds
 2 is ratified, approved, and confirmed.

3 SECTION 3. FINDINGS. The Board declares that it has considered all
 4 relevant information and data and makes the following findings:

5 A. The issuance of the Series 2014A Bonds in the principal amount of
 6 \$97,270,000 plus a net premium of \$17,287,437.35 under the Act will provide funds for
 7 (i) the advance refunding of the Public Project Revolving Fund Loan Agreement (2005)
 8 maturing on and after May 1, 2016, (ii) the advance refunding of the Series 2006A
 9 Bonds maturing on and after July 1, 2017, and (iii) the payment of Expenses, with
 10 proceeds of the Series 2014A Bonds and other money of the Water Authority legally
 11 available for the purpose (collectively, the “Series 2014A Refunding Project”).

12 B. The issuance of the Series 2014B Bonds in the principal amount of
 13 \$87,005,000 plus a net premium of \$13,670,129.00 under the Act will provide funds for
 14 (i) the advance refunding of the Series 2005 Bonds maturing on and after July 1, 2016,
 15 (ii) the current refunding of the outstanding EID Loan, and (iii) the payment of Expenses
 16 related to the issuance of the Series 2014B Bonds, with proceeds of the Series 2014B
 17 Bonds and other money of the Water Authority legally available for the purposes
 18 (collectively, the “Series 2014B Refunding Project”).

19 B. The Series 2014A Refunding Project and the Series 2014B
 20 Refunding Project are necessary and in the interest of the public health, safety, and
 21 welfare of the residents of the geographic area served by the Water Authority for the
 22 purpose of achieving debt service savings and restructuring the Water Authority’s
 23 outstanding System Obligations.

24 C. The interest rates set forth in Section 4, the net effective interest
 25 rate of 2.3977% per annum, and the underwriters' discount of \$231,685.81 for the sale
 26 of the Series 2014A Bonds are reasonable under existing and anticipated bond market
 27 conditions and are necessary and advisable for the marketing and sale of the Series
 28 2014A Bonds. The interest rates set forth in Section 4, the net effective interest rate of
 29 2.2528% per annum, and the underwriters' discount of \$195,094.05 for the sale of the
 30 Series 2014B Bonds are reasonable under existing and anticipated bond market
 31 conditions and are necessary and advisable for the marketing and sale of the Series
 32 2014B Bonds.

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D. The Water Authority will complete the Series 2014A Refunding Project with the proceeds of the Series 2014A Bonds together with other funds of the Water Authority, if any. The Water Authority will complete the Series 2014B Refunding Project with the proceeds of the Series 2014B Bonds together with other funds of the Water Authority, if any.

SECTION 4. DETAILS OF SERIES 2014A BONDS.

A. PRINCIPAL AMOUNT. The Series 2014A Bonds shall be issued in one series in the aggregate principal amount of \$97,270,000, shall be designated the Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and Sewer System Refunding Revenue Bonds, Series 2014A. The Series 2014A Bonds shall be issued to provide funds, together with other available funds of the Water Authority, if any, to finance the completion of the Series 2014A Refunding Project and to pay Expenses relating to the issuance of the Series 2014A Bonds.

B. SERIES DATE; REGISTRATION. The Series 2014A Bonds shall be dated the date of issuance of the Series 2014A Bonds (the "Series Date"), and shall be issued in fully registered form only, without coupons, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, as registered owner of the Series 2014A Bonds, all as provided in the Bond Ordinance.

C. INTEREST PAYMENT DATE; INTEREST RATES; MATURITIES.

The Series 2014A Bonds shall bear interest payable on each Interest Payment Date, beginning on January 1, 2015, at the rates per annum, maturing in the years and amounts, set forth below:

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	<u>Principal Amount</u>	<u>Maturity (July 1)</u>	<u>Interest Rate</u>
26	\$ 1,090,000	2016	3.00%
27	\$ 7,910,000	2017	5.00%
28	\$ 8,275,000	2018	5.00%
29	\$ 8,640,000	2019	5.00%
30	\$ 1,575,000	2020	2.00%
31	\$ 7,450,000	2020	5.00%
32	\$ 9,415,000	2021	5.00%
33	\$ 2,185,000	2022	2.25%

	<u>Principal Amount</u>	<u>Maturity (July 1)</u>	<u>Interest Rate</u>
1			
2	\$ 7,785,000	2022	5.00%
3	\$10,395,000	2023	5.00%
4	\$10,910,000	2024	5.00%
5	\$11,385,000	2025	5.00%
6	\$ 5,000,000	2026	3.00%
7	\$ 5,255,000	2026	5.00%

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9 D. OPTIONAL REDEMPTION. The Series 2014A Bonds maturing on
10 and after July 1, 2025, shall be subject to redemption prior to their respective maturities,
11 at the option of the Water Authority in any order of maturity as determined by the Water
12 Authority in whole or in part at any time, on or after July 1, 2024, at a redemption price
13 equal to 100% of the principal amount of the Series 2014A Bonds to be redeemed, plus
14 accrued interest to the date of redemption.

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16 SECTION 5. DETAILS OF SERIES 2014B BONDS.

17 A. PRINCIPAL AMOUNT. The Series 2014B Bonds shall be issued in
18 one series in the aggregate principal amount of \$87,005,000, shall be designated the
19 Albuquerque Bernalillo County Water Utility Authority Subordinate Lien Joint Water and
20 Sewer System Refunding Revenue Bonds, Series 2014B. The Series 2014B Bonds
21 shall be issued to provide funds, together with other available funds of the Water
22 Authority, if any, to finance the completion of the Series 2014B Refunding Project and to
23 pay Expenses relating to the issuance of the Series 2014B Bonds.

24 B. SERIES DATE; REGISTRATION. The Series 2014B Bonds shall
25 be dated the date of issuance of the Series 2014B Bonds (the "Series Date"), and shall
26 be issued in fully registered form only, without coupons, and when issued will be
27 registered in the name of Cede & Co., as nominee of The Depository Trust Company
28 ("DTC"), New York, New York, as registered owner of the Series 2014B Bonds, all as
29 provided in the Bond Ordinance.

30 C. INTEREST PAYMENT DATE; INTEREST RATES; MATURITIES.

31 The Series 2014B Bonds shall bear interest payable on each Interest
32 Payment Date, beginning on January 1, 2015, at the rates per annum, maturing in the
33 years and amounts, set forth below:

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1	<u>Principal Amount</u>	<u>Maturity (July 1)</u>	<u>Interest Rate</u>
2	\$ 450,000	2015	1.00%
3	\$ 8,910,000	2016	3.00%
4	\$10,695,000	2017	5.00%
5	\$ 2,005,000	2018	2.00%
6	\$ 6,080,000	2018	5.00%
7	\$ 2,090,000	2019	2.00%
8	\$ 6,115,000	2019	5.00%
9	\$ 2,235,000	2020	2.00%
10	\$ 6,045,000	2020	5.00%
11	\$ 8,235,000	2021	5.00%
12	\$ 8,435,000	2022	5.00%
13	\$ 8,505,000	2023	5.00%
14	\$ 8,570,000	2024	5.00%
15	\$ 8,635,000	2025	5.00%

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D. OPTIONAL REDEMPTION. The Series 2014B Bonds maturing on and after July 1, 2025, shall be subject to redemption prior to their respective maturities, at the option of the Water Authority in any order of maturity as determined by the Water Authority in whole or in part at any time, on or after July 1, 2024, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

SECTION 6. PARAMETERS OF ORDINANCE. The net effective interest rate on the Series 2014A Bonds is less than 12% per annum. The maturities of the Series 2014A Bonds do not exceed the remaining useful life of the projects financed with the proceeds of the Series 2014A Refunded Obligations. The net effective interest rate on the Series 2014B Bonds is less than 12% per annum. The maturities of the Series 2014B Bonds do not exceed the remaining useful life of the projects financed with the proceeds of the Series 2014B Refunded Obligations. All other terms and conditions relating to the Bonds and the sale of the Bonds to the Purchaser as set forth in the Confirming Resolution and the Bond Purchase Agreement are within the parameters established by the Bond Ordinance.

1 SECTION 7. ACCOUNTS AND FUNDS. The Water Authority shall
 2 establish the Series 2014A Debt Service Account and the Series 2014B Debt Service
 3 Account as a separate accounts of the Debt Service Fund and shall establish any other
 4 accounts required by the Bond Ordinance.

5 SECTION 8. SALE OF THE BONDS. The sale of the Series 2014A
 6 Bonds in a negotiated sale to the Purchaser for the principal amount of \$97,270,000,
 7 plus a net premium of \$17,287,734.35, less an underwriter's discount of \$231,685.81, is
 8 approved. The sale of the Series 2014B Bonds in a negotiated sale to the Purchaser
 9 for the principal amount of \$87,005,000, plus a net premium of \$13,670,129.00, less an
 10 underwriter's discount of \$195,094.05, is approved.

11 SECTION 9. USE OF PROCEEDS; REFUNDING PROJECT
 12 COMPLETION; PURCHASER NOT RESPONSIBLE.

13 A. PROCEEDS AND OTHER FUNDS; APPROPRIATIONS.

14 (1) The Board, having been informed of and having considered
 15 all pertinent facts and circumstances, does hereby find and determine and declare that
 16 proceeds from the sale of the Series 2014A Bonds shall be appropriated and deposited
 17 as follows:

18 (a) \$343,480.40 of proceeds of the Series 2014A Bonds
 19 will be deposited into the Expense Account to pay Expenses associated with the Series
 20 2014A Bonds, with any amounts not expended within ninety (90) days to be deposited
 21 into the Series 2014A Debt Service Account.

22 (b) \$113,968,238.51 of proceeds of the Series 2014A
 23 Bonds will be deposited in the Escrow Fund for the Series 2014A Refunded Obligations,
 24 and, together with interest earnings thereon, used, and is appropriated for the payment
 25 of the redemption price (including principal and accrued interest) of the Series 2014A
 26 Refunded Obligations pursuant to the Escrow Agreement.

27 (c) \$231,685.81 of proceeds of the Series 2014A Bonds
 28 shall be used to pay, and is appropriated for the payment of the underwriters' discount.

29 (d) \$14,032.63, of the proceeds of the Series 2014A
 30 Bonds, shall be deposited to the Series 2014A Debt Service Account.

31 (2) The Board, having been informed of and having considered
 32 all pertinent facts and circumstances, does hereby find and determine and declare that

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1 proceeds from the sale of the Series 2014B Bonds shall be appropriated and deposited
2 as follows:

3 (a) \$307,232.60 of proceeds of the Series 2014B Bonds
4 will be deposited into the Expense Account to pay Expenses associated with the Series
5 2014B Bonds, with any amounts not expended within ninety (90) days to be deposited
6 into the Series 2014B Debt Service Account.

7 (b) \$94,113,407.47 of proceeds of the Series 2014B
8 Bonds will be deposited in the Escrow Account for the Series 2005 Refunded Bonds,
9 and, together with interest earnings thereon, used, and is appropriated for the payment
10 of the redemption price (including principal and accrued interest) of the Refunded
11 Obligations pursuant to the Escrow Agreement.

12 (c) \$6,049,795.72 of the proceeds of the Series 2014B
13 Bonds will be applied to the prepayment of the EID Loan on the Closing Date of the
14 Bonds.

15 (d) \$195,094.05 of proceeds of the Series 2014B Bonds
16 shall be used to pay, and is appropriated for the payment of the underwriters' discount.

17 (e) \$9,599.16, of the proceeds of the Series 2014B
18 Bonds, shall be deposited to the Series 2014B Debt Service Account.

19
20 B. COMPLETION. As soon as practicable, and in any event not more
21 than 60 days after the Completion Date of the Refunding Project, any balance
22 remaining in the Escrow Funds shall be used by the Water Authority for the payment of
23 the principal of or interest next coming due on the Bonds.

24 C. PURCHASER NOT RESPONSIBLE. The Purchaser shall not be
25 responsible for the application or use by the Water Authority of the proceeds of Bonds.

26 SECTION 10. PRIOR REDEMPTION AND NOTICE WITH
27 RESPECT TO REFUNDED OBLIGATIONS; ESCROW AGENT; SUFFICIENCY OF
28 ESCROW FUND; INVESTMENTS.

29 The Water Authority has elected and does hereby declare its intent to exercise
30 on behalf and in the name of the Water Authority its option to redeem the Refunded
31 Obligations at a redemption price equal to the principal amount of the Refunded
32 Obligations to be redeemed plus accrued interest to the respective dates of redemption.

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1 The Water Authority is hereby obligated to exercise such option, which option shall be
 2 deemed to have been exercised irrevocably upon delivery of the Series 2014A Bonds
 3 and the Series 2014B Bonds. Notices of optional redemption of the Refunded
 4 Obligations shall be mailed or delivered as provided by the Refunded Obligations and
 5 the Escrow Agreement.

6 The initial Escrow Agent shall be BOKF, N.A. dba Bank of Albuquerque. The
 7 Escrow Agent shall invest the monies on deposit in the Escrow Accounts only in
 8 Government Obligations as defined in the Series 2014A Refunded Obligations and
 9 Series 2014B Refunded Obligations. All such Government Obligations shall mature at
 10 such times as provided in the Escrow Agreement.

11 SECTION 11. APPROVAL AND USE OF DOCUMENTS. The forms,
 12 terms, and provisions of the Preliminary Official Statement, the proposed form of the
 13 Official Statement, the Bond Purchase Agreement, the form of the Escrow Agreement,
 14 and the form of Continuing Disclosure Undertaking on file with the Water Authority and
 15 presented to the Board are ratified and approved. The Chair of the Water Authority or
 16 the Executive Director are hereby authorized to execute such documents. The use by
 17 the Purchaser, in connection with the offering and sale of the Bonds, of the Preliminary
 18 Official Statement and the Official Statement (with terms which are not inconsistent with
 19 the Bond Legislation) is ratified and approved.

20 SECTION 12. CONFIRMING RESOLUTION IRREPEALABLE. After any
 21 Bonds are issued, the Confirming Resolution shall be and remain irrevocable until the
 22 principal of and interest on the Bonds are fully paid and the Bonds are cancelled or
 23 there has been defeasance of the Bonds as provided in the Bond Legislation.

24 SECTION 13. REPEALER CLAUSE. All bylaws, orders, and resolutions,
 25 or parts thereof, inconsistent with the Confirming Resolution are repealed to the extent
 26 of such inconsistency. This repealer shall not be construed to revive any bylaw, order,
 27 or resolution, or part thereof, previously repealed.

28 SECTION 14. SEVERABILITY. If any section, paragraph, clause or
 29 provision of the Confirming Resolution shall for any reason be held to be invalid or
 30 unenforceable, the invalidity or unenforceability of such section, paragraph, clause or
 31 provision shall not affect any of the remaining provisions of the Confirming Resolution.

32 SECTION 15. EFFECTIVE DATE. The Confirming Resolution shall be in
 33 full force and effect immediately upon adoption.

1 SECTION 16. PUBLICATION OF NOTICE OF ADOPTION. Pursuant to
2 the general laws of the State, the title and general summary of the subject matter
3 contained in the Confirming Resolution shall be published in substantially the following
4 form:

5 **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY**
6 **LEGAL NOTICE**

7 Notice is hereby given that the Board of Directors of Albuquerque Bernalillo
8 County Water Utility Authority did on the 20th day of August, 2014, adopt a resolution
9 entitled:

10 **APPROVING THE SALE OF ALBUQUERQUE BERNALILLO COUNTY**
11 **WATER UTILITY AUTHORITY (THE "WATER AUTHORITY") SENIOR**
12 **LIEN JOINT WATER AND SEWER SYSTEM REFUNDING REVENUE**
13 **BONDS, SERIES 2014A IN THE AGGREGATE PRINCIPAL AMOUNT**
14 **OF \$97,270,000 (THE "SERIES 2014A BONDS"); APPROVING THE**
15 **SALE OF THE WATER AUTHORITY SUBORDINATE LIEN JOINT**
16 **WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS,**
17 **SERIES 2014B IN THE AGGREGATE PRINCIPAL AMOUNT OF**
18 **\$87,005,000 (THE "SERIES 2014B BONDS", AND TOGETHER WITH**
19 **THE SERIES 2014A BONDS, THE "BONDS"); ESTABLISHING**
20 **CERTAIN DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT**
21 **OF THE COSTS OF ISSUANCE OF THE BONDS; APPROVING**
22 **DISCLOSURE AND OTHER DOCUMENTS RELATING TO THE**
23 **BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN**
24 **CONNECTION THEREWITH.**

25
26 The Confirming Resolution authorizes the issuance of the Albuquerque Bernalillo
27 County Water Utility Authority Senior Lien Joint Water and Sewer System Refunding
28 Revenue Bonds, Series 2014A, in the aggregate principal amount of \$97,270,000 (the
29 "Series 2014A Bonds") and authorizes the issuance of the Albuquerque Bernalillo
30 County Water Utility Authority Subordinate Lien Joint Water and Sewer System
31 Refunding Revenue Bonds, Series 2014B, in the aggregate principal amount of
32 \$87,005,000 (the "Series 2014B Bonds") to J.P. Morgan Securities LLC, Robert W.
33 Baird & Co., Incorporated, Stifel, Nicolaus & Company, Incorporated and Piper Jaffray &

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1 Co.; establishes the interest rates and maturity schedules for the Series 2014A Bonds
2 and the Series 2014B Bonds; makes certain appropriations of the proceeds of the
3 Bonds; and provides other details concerning the Bonds. Complete copies of the
4 Confirming Resolution are available for public inspection during normal and regular
5 business hours at the offices of the Water Authority, One Civic Plaza, NW,
6 Albuquerque, New Mexico.

7 Dated this 20th day of August, 2014.

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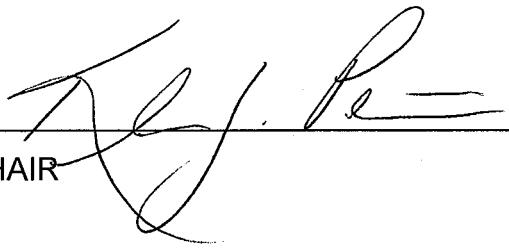
1 PASSED AND ADOPTED THIS 20TH DAY OF AUGUST, 2014. BY A VOTE OF
2 6 FOR AND 0 AGAINST.

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CHAIR

7 ATTEST:

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10 SECRETARY

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