
Meeting Date: March 21, 2018
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: **O-18-2 – Authorizing the Execution and Delivery of a Loan and Subsidy Agreement (“Loan Agreement”) by and Between the Albuquerque Bernalillo County Water Utility Authority (“The Water Authority”) and the New Mexico Finance for the Advanced Metering Infrastructure**

ACTION: **Recommend Approval**

BACKGROUND:

The Water Authority submitted an application for financial assistance for the Advanced Metering Infrastructure Project. Approximately 19,681 meters, in selected cycle routes throughout the metro Albuquerque area, will be retrofitted with Advanced Metering Infrastructure (AMI) Flexnet devices. The customer benefits of the AMI devices consist of streamlined high bill investigations, detection of tampering of meters to protect the customer, accurate information, faster customer service, and flag and alert continuous usage.

Phase 4c will continue the progress made by the Water Authority to convert old mechanical meters to AMI meters. Approximately 76,000 meters have been converted to AMI. About 48% of total monthly water revenue is processed through the AMI system. It is estimated that Phase 4c will increase total monthly water revenue by 5% with the completion of Phase 4c. AMI implementation has also helped the utility decrease apparent water loss from 2.2% in 2012 to 0.5% in 2016 by decreasing meter inaccuracies and data handling errors. In addition, AMI was reduced outstanding bill meter work orders from 5,400 to less than 100 per month. Moreover, AMI has reduced the amount of inoperable meters from 3,000 to approximately 20 per month which saves \$500,000 in annual operation costs associated with reading the meters.

SUMMARY:

Ordinance O-18-2 authorizes the execution and delivery of a loan and subsidy agreement in the amount of \$1,010,000 between the New Mexico Finance Authority (NMFA) and the Water Authority for the Water Authority submitted an application for financial assistance for the Advanced Metering Infrastructure Project. This is a special limited obligation of the water Authority to pay a principal amount of no more than \$505,000 together with interest, costs of issuance and administrative fees and to accept a loan subsidy (Grant) of no more than \$505,000. The purpose of the financing is for the costs of upgrading the Water Authority's water system which includes the acquisition and installation of advanced metering infrastructure meters. The loan

portion is a Senior Lien obligation and the AMI work has been appropriated by the Water Authority Board

The application for funding has been approved by the Water Authority Board.

FISCAL IMPACT:

This loan portion of the agreement is for 20 years with an effective interest rate of 0.25%. Gross Revenues, all income and revenues directly or indirectly derived by the Water Authority from the operation and use of the System, are pledged as security for these loans. The annual Debt Service for the loan portion of this agreement is \$30,884.

COMMENTS:

This Ordinance gives the Executive Director authorization to enter into the loan agreement with the NMFA to secure a loan for the purpose of financing the costs of the completion of Phase 4 of the Water Authority's Advanced Metering Infrastructure Project.

**ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY**

BILL NO. 0-18-2

ORDINANCE

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY (THE "WATER AUTHORITY") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE WATER AUTHORITY TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN FIVE HUNDRED FIVE THOUSAND DOLLARS (\$505,000), TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN FIVE HUNDRED FIVE THOUSAND DOLLARS (\$505,000), FOR THE PURPOSE OF FINANCING THE COSTS OF UPGRADING THE WATER AUTHORITY'S WATER SYSTEM, INCLUDING, ACQUISITION AND INSTALLATION OF ADVANCED METERING INFRASTRUCTURE METERS; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL, INTEREST AND ADMINISTRATIVE FEES DUE UNDER THE LOAN AGREEMENT SOLELY FROM NET REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT

Capitalized terms used in the following preambles are defined in Section 1 of this Ordinance, unless the context requires otherwise.

WHEREAS, the Water Authority is a legally and regularly created, established, organized and existing public body politic and corporate, separate and apart from the City and the County, under the general laws of the State; and

1 WHEREAS, the Water Authority owns, operates and maintains the System as
2 a joint public utility water and sanitary sewer system; and

3 WHEREAS, the Water Authority is obligated on the following Senior
4 Obligations, payable from Net Revenues, Outstanding on the date of the adoption of
5 this Ordinance in the following principal amounts:

	Amount
<u>Senior Obligations</u>	<u>Outstanding</u>
6 Series 2009A-1 Bonds	\$ 31,925,000
7 Series 2013A&B Bonds	\$ 83,620,000
8 Series 2014A Bonds	\$ 88,270,000
9 Series 2015 Bonds	\$208,730,000
10 Series 2017 Bonds	\$ 87,970,000
11 Drinking Water State Revolving Fund Loan Agreement (2009)	\$ 766,470
12 Public Project Revolving Fund Loan Agreement (2011)	\$ 35,855,000

13 and

14 WHEREAS, the Water Authority is obligated on the following Subordinate
15 Obligations, payable from Net Revenues with a lien on the Net Revenues
16 subordinated to the Senior Obligations, and superior to the lien of the Super
17 Subordinate Obligations, Outstanding on the date of the adoption of this Ordinance
18 in the following principal amounts:

	Amount
<u>Subordinate Obligations</u>	<u>Outstanding</u>
19 Series 2014B Bonds	\$ 66,950,000
20 Drinking Water State Revolving Fund Loan Agreement (2008)	\$ 7,370,187

21 and

22 WHEREAS, the Water Authority is obligated on the following Super
23 Subordinate Obligations, payable from Net Revenues with a lien on the Net
24 Revenues subordinated to the Senior Obligations and Subordinate Obligations,
25 Outstanding on the date of the adoption of this Ordinance in the following principal
26 amounts:

1		Amount
2	<u>Super Subordinate Obligations</u>	<u>Outstanding</u>
3	Water Trust Board Loan/Grant Agreement (2017)	\$ 669,550
4	and	

5 WHEREAS, except as stated in these preambles, the Net Revenues have not
6 been pledged or hypothecated to the payment of any Outstanding obligations and no
7 other obligations are payable from the Net Revenues on the date of this Ordinance;
8 and

9 WHEREAS, there are no obligations which have a lien on the Net Revenues
10 superior to the lien thereon of the Senior Obligations;

11 WHEREAS, funds may be provided from the Drinking Water State Revolving
12 Loan Fund to finance infrastructure projects in the State; and

13 WHEREAS, the Board has determined that the Project may be financed with
14 amounts borrowed under the Loan Agreement and that it is in the best interest of the
15 Water Authority and its customers that the Loan Agreement be executed and
16 delivered and that the financing of the construction of the Project take place by
17 executing and delivering the Loan Agreement; and

18 WHEREAS, the Board has determined that it may lawfully pledge the Net
19 Revenues for repayment of the Loan Agreement; and

20 WHEREAS, the Water Authority intends to use a portion of the proceeds of
21 the Loan Agreement for the purpose of acquiring and installing additional System
22 assets and improving the System; and

23 WHEREAS, all required authorizations, consents and approvals in
24 connection with (i) the use and pledge of the Net Revenues to the Finance Authority
25 (or its assigns) for the payment of amounts due under the Loan Agreement, (ii) the
26 use of the proceeds of the Loan Agreement to finance the Project, and (iii) the
27 authorization, execution and delivery of the Loan Agreement, which are required to
28 have been obtained by the date of the Ordinance have been obtained or are
29 reasonably expected to be obtained prior to the Closing Date.

30 BE IT ORDAINED BY THE BOARD OF THE WATER AUTHORITY:

31 Section 1. DEFINITIONS AND RULES OF CONSTRUCTION.

1 (A) DEFINITIONS. As used in this Ordinance, the following terms
2 have the meanings specified, unless the context clearly requires otherwise:

3 ACT. The DWSRLF Act, and the general laws of the State, including
4 Section 72-1-10 NMSA 1978, Sections 3-31-1 through 3-31-12 NMSA 1978,
5 Sections 4-62-1 to 4-62-10 NMSA 1978, as amended, and enactments of the Board
6 relating to the Loan Agreement, including this Ordinance.

7 ADMINISTRATIVE FEE or ADMINISTRATIVE FEE COMPONENT.
8 The 0.25% annual fee payable to the Finance Authority as 0.125% of the Loan
9 Agreement Principal Amount then outstanding as a part of each Loan Agreement
10 Payment for the costs of originating and servicing the Loan.

11 AGGREGATE DISBURSEMENTS. At any time after the Closing Date,
12 the sum of all Disbursements.

13 AGGREGATE FORGIVEN DISBURSEMENTS. The amount of
14 Subsidy provided in the form of principal forgiveness, and shall at any time after the
15 Closing Date be equal to fifty percent (50%) of the Aggregate Disbursements, up to
16 a maximum of five hundred five thousand dollars (\$505,000).

17 AGGREGATE REPAYABLE DISBURSEMENTS. At any time after the
18 Closing Date, the Aggregate Disbursements less the Aggregate Forgiven
19 Disbursements.

20 APPROVED REQUISITION. A requisition in the form of Exhibit "C" to
21 the Loan Agreement, together with supporting documentation submitted to and
22 approved by the Finance Authority pursuant to Section 4.2 of the Loan Agreement.

23 AUTHORIZED OFFICER. The Chair, the Executive Director of the
24 Water Authority, or other officer or employee of the Water Authority when designated
25 by a certificate signed by the Chair from time to time.

26 BOARD. The governing body in which is vested the legislative power
27 of the Water Authority.

28 CHAIR. The duly elected Chair of the Board or the Vice Chair of the
29 Board acting in the absence of the Chair.

30 CITY. The City of Albuquerque, in the County of Bernalillo and State
31 of New Mexico.

1 CLOSING DATE. The date of execution, delivery and funding of the
2 Loan Agreement authorized by this Ordinance.

3 COMPLETION DATE. The date of completion of the Project.

4 COUNTY. Bernalillo County, New Mexico.

5 CREDIT FACILITY. A letter of credit, line of credit, bond insurance
6 policy or reserve account surety bond, guaranty or similar agreement provided by a
7 Credit Source to provide support to pay the purchase price of, or the payment when
8 due of the principal of and interest on, System Obligations.

9 CREDIT SOURCE. Any bank, insurance company or other financial
10 institution which provides a Credit Facility for a series of System Obligations.

11 DEBT SERVICE ACCOUNT. The debt service account established in
12 the name of the Water Authority and administered by the Finance Authority to pay
13 principal and interest on the Loan Agreement as the same become due.

14 DEBT SERVICE FUND. The Debt Service Fund previously established
15 by the Water Authority and continued in Section 13 of this Ordinance.

16 DEBT SERVICE REQUIREMENTS. With respect to System
17 Obligations and for any given period, the sum of: (1) the amount required to pay the
18 interest, or to make reimbursements for payments of interest, becoming due on
19 System Obligations during that period, plus (2) the amount required to pay the
20 principal or to make reimbursements for the payment of principal becoming due on
21 System Obligations during that period, whether at maturity or upon mandatory
22 sinking fund redemption dates, plus (3) the periodic payments required to be made
23 by the Water Authority pursuant to a Qualified Exchange Agreement minus (4) the
24 periodic payments to be received by the Water Authority pursuant to a Qualified
25 Exchange Agreement. No payments required for any System Obligations which may
26 be tendered or otherwise presented for payment at the option or demand of the
27 owners of System Obligations, or which may occur because of the exercise of an
28 option by the Water Authority, or which may otherwise become due by reason of any
29 other circumstance or contingency, including acceleration or early termination
30 payments, which constitute other than regularly scheduled payments of principal,

1 interest or other regularly scheduled payments on System Obligations shall be
2 included in any computation of Debt Service Requirements for that period.

3 Unless, at the time of computation of Debt Service Requirements, payments
4 on System Obligations are owed to, or System Obligations are owned or held by, the
5 provider of a Credit Facility pursuant to the provisions of that Credit Facility, the
6 computation of interest for the purposes of this definition shall be made without
7 considering the interest rate payable pursuant to a Credit Facility.

8 In any computation of Debt Service Requirements relating to the issuance of
9 additional System Obligations, there shall be excluded from the computation of the
10 Debt Service Requirements amounts and investments which are irrevocably
11 committed to make designated payments on System Obligations during the
12 applicable period, including, without limitation, money on deposit in any Debt Service
13 Account and amounts on deposit in an escrow account irrevocably committed to
14 make designated payments on System Obligations during the applicable period and
15 earnings on such investments which are payable and committed to the payment of
16 such System Obligations during the applicable period.

17 Unless otherwise required by a Water Authority ordinance or resolution
18 relating to a series of System Obligations, to determine Debt Service Requirements
19 of Variable Rate Obligations, the Water Authority shall use the procedures set forth
20 in the following paragraphs to determine the amount of interest or other payments to
21 be paid by the Water Authority on Variable Rate Obligations.

22 (1) During any historical period for which the actual variable
23 interest rate or rates are determinable, the actual variable interest rate shall be used.
24 During any historical period when the actual variable interest rate is not
25 determinable, the variable interest rate shall, for the purpose of determining Debt
26 Service Requirements, be deemed to be the higher of:

27 (a) the actual variable interest rate, if any, at the time
28 of computation; or

29 (b) a fixed annual rate equal to the prevailing rate on
30 the Variable Rate Obligations on the date of computation (which, for the purpose of
31 determining the Debt Service Requirements, shall be a date which is no more than

1 60 days prior to the date of issuance of the applicable System Obligations) as
2 certified by the Water Authority's financial advisor, the underwriters of the System
3 Obligations, an investment banker designated by the Water Authority from time to
4 time or a counterparty with respect to a Qualified Exchange Agreement.

5 (2) Prospective computations of interest payable on Variable
6 Rate Obligations, including those relating to the issuance of additional System
7 Obligations or required by the Rate Covenant, shall be made on the assumption that
8 such obligations bear interest at a fixed annual rate equal to:

9 (a) the average of the daily rates of such System
10 Obligations during the 365 consecutive days (or any lesser period such System
11 Obligations have been Outstanding) next preceding a date which is no more than 60
12 days prior to the date of the issuance of the additional System Obligations; or

13 (b) with respect to System Obligations initially issued
14 or incurred as or being converted to Variable Rate Obligations, the estimated initial
15 rate of interest of such System Obligations upon the date of issuance, exchange or
16 conversion as certified by the Water Authority's financial advisor, another investment
17 banker, as designated by the Water Authority from time to time, or a counterparty
18 with respect to a Qualified Exchange Agreement.

19 DISBURSEMENT. An amount caused to be paid by the Finance
20 Authority for an Approved Requisition for costs of the Project, including the Expense
21 Fund Component.

22 DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT
23 (2008). The loan agreement dated November 7, 2008 between the Finance
24 Authority and the Water Authority in the original principal amount of \$9,627,877,
25 authorized and approved by Water Authority Ordinance Enactment No. F/S O-08-4
26 and Resolution Enactment No. F/S R-08-13 as amended by Ordinance No. F/S O-
27 14-2 and the Amendment to the Loan Agreement dated July 24, 2014 constituting a
28 subordinate lien on the Net Revenues.

29 DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT
30 (2009). The loan agreement between the Finance Authority and the Water Authority
31 in the original principal amount of \$1,010,000, authorized and approved by Water

1 Authority Ordinance Enactment No. O-09-9 and Resolution Enactment No. R-09-24
2 constituting a senior lien on the Net Revenues.

3 DRINKING WATER STATE REVOLVING LOAN FUND. The drinking
4 water state revolving loan fund established by the DWSRLF Act.

5 DWSRLF ACT. The general laws of the State, particularly the Drinking
6 Water State Revolving Loan Fund Act, NMSA 1978 §§ 6-21A-1 through 6-21A-9, as
7 amended.

8 EXPENSE FUND. The expense fund hereby created to be held and
9 administered by the Finance Authority to pay Expenses.

10 EXPENSE FUND COMPONENT. An amount equal to one percent
11 (1%) of each Disbursement for the Project, minus any amount forgiven under the
12 Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to
13 pay Expenses.

14 EXPENSES. The reasonable and necessary fees, costs and
15 expenses incurred by the Water Authority and the Finance Authority with respect to
16 the execution and delivery of the Loan Agreement, including, without limitation,
17 attorneys' fees and costs, financial advisor's fees and costs, costs of advertising and
18 publication, and all reasonable and necessary fees and administrative costs of the
19 Water Authority and Finance Authority relating to the foregoing.

20 FINAL LOAN AGREEMENT PAYMENT SCHEDULE. The schedule of
21 Loan Agreement Payments due on the Loan Agreement following the Final
22 Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

23 FINAL REQUISITION. The final requisition of moneys to be submitted
24 by the Water Authority, which shall be submitted by the Water Authority on or before
25 the date provided for in Section 4.1(b) of the Loan Agreement.

26 FINANCE AUTHORITY. The New Mexico Finance Authority, created
27 by the New Mexico Finance Authority Act, NMSA 1978, §§ 6-21-1 through 6-21-31,
28 as amended.

29 GROSS REVENUES. All income and revenues directly or indirectly
30 derived by the Water Authority from the operation and use of the System, or any part
31 of the System, and includes, without limitation, all revenues received by the Water

1 Authority, or any municipal corporation or agency succeeding to the rights of the
2 Water Authority, from the System and from the sale and use of water, water services
3 or facilities, sewer service or facilities or any other service, commodity or facility or
4 any combination thereof furnished to the inhabitants of the geographic area served
5 by the Water Authority by means of the System as the same may at any time exist to
6 serve customers outside the Water Authority's geographical limits as well as
7 customers within the Water Authority's geographical limits. Such term also includes:

8 (1) All income derived from the investment of any money in
9 the Joint Water and Sewer Fund, Debt Service Account, Program Account and Rate
10 Stabilization Fund and income derived from surplus Net Revenues;

11 (2) Money released from a rebate fund to the Water
12 Authority;

13 (3) Money released from the Rate Stabilization Fund to the
14 Water Authority to the extent that the amount released is used to pay Operation and
15 Maintenance Expenses or Debt Service Requirements on System Obligations in the
16 year released; provided that withdrawals from the Rate Stabilization Fund shall not
17 be included in Gross Revenues for the purposes of the Rate Covenant in any two
18 consecutive calendar years;

19 (4) Property insurance proceeds which are not necessary to
20 restore or replace the property lost or damaged and the proceeds of the sale or
21 other disposition of any part of the System; and

22 (5) Funds received from users of the System as a
23 reimbursement of, or otherwise in connection with, franchise fees to be paid by the
24 Water Authority.

25 Gross Revenues do not include:

26 (1) any money received as grants or gifts from the United
27 States of America, the State or other sources, or the proceeds of any charge or tax
28 intended as a replacement therefor or other capital contributions from any source
29 which are restricted as to use; and

30 (2) condemnation proceeds or the proceeds of any
31 insurance policy, except any property insurance proceeds described above in clause

(4) of this definition or derived in respect of loss of use or business interruption.

INTEREST COMPONENT. The portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each Disbursement.

INTEREST RATE. The rate of interest on the Loan Agreement as shown on the Term Sheet.

JOINT WATER AND SEWER FUND. The "City of Albuquerque, New Mexico, Joint Water and Sewer Fund" originally established in Section 16 of City Ordinance No. 18-1984 and continued in Section 13 of this Ordinance as the "Albuquerque Bernalillo County Water Utility Authority Joint Water and Sewer Fund."

LOAN. The funds to be loaned to the Water Authority by the Finance Authority pursuant to the Loan Agreement, up to the Maximum Principal Amount.

LOAN AGREEMENT. The loan and subsidy agreement and any amendments or supplements thereto, including the exhibits attached to the loan agreement.

LOAN AGREEMENT PAYMENT. Collectively, the Principal Component, the Interest Component, Expense Fund Component, and the Administrative Fee Component to be paid by the Water Authority as payment on the Aggregate Repayable Disbursements under the Loan Agreement, as shown on Exhibit "B" thereto.

LOAN AGREEMENT PRINCIPAL AMOUNT. As of any date of calculation, the Aggregate Repayable Disbursements (including the Expense Fund Component) then outstanding.

MAXIMUM PRINCIPAL AMOUNT. One million ten thousand dollars (\$1,010,000).

NMSA 1978. New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

NET REVENUES. The Gross Revenues after deducting Operation and Maintenance Expenses.

OPERATION AND MAINTENANCE EXPENSES. All reasonable and necessary current expenses of the System, paid or accrued, related to operating,

1 maintaining and repairing the System including, without limiting the generality of the
2 foregoing:

3 (1) legal and overhead expenses directly related and
4 reasonably allocable to the administration of the System;

5 (2) insurance premiums for the System, including, without
6 limitation, premiums for property insurance, public liability insurance and workmen's
7 compensation insurance, whether or not self-funded;

8 (3) premiums, expenses and other costs (other than required
9 reimbursements of insurance proceeds and other amounts advanced to pay Debt
10 Service Requirements on System Obligations) for Credit Facilities;

11 (4) Expenses other than expenses paid from the proceeds of
12 System Obligations;

13 (5) the costs of audits of the books and accounts of the
14 Water Authority and the System;

15 (6) amounts required to be deposited in a rebate fund or
16 otherwise required to make rebate payments to the United States Government;

17 (7) salaries, administrative expenses, labor costs, surety
18 bonds and the cost of materials and supplies used for or in connection with the
19 current operation of the System; and

20 (8) franchise tax payments to the City, County or any other
21 local government.

22 Operation and Maintenance Expenses do not include any allowance for
23 depreciation, payments in lieu of taxes, liabilities incurred by the Water Authority as
24 a result of its negligence or other misconduct in the operation of the System or any
25 charges or costs allocable to capital improvements or replacements. Operation and
26 Maintenance Expenses do not include any payment of or reimbursement for the
27 payment of Debt Service Requirements on the Loan Agreement.

28 ORDINANCE. This Ordinance, as amended or supplemented from
29 time to time.

30

1 OUTSTANDING. When used in reference to System Obligations, on
2 any particular date, the aggregate of all System Obligations issued and delivered
3 under the applicable Water Authority ordinance authorizing the issuance of, System
4 Obligations except:

5 (1) those canceled at or prior to such date or delivered to or
6 acquired by the Water Authority at or prior to such date for cancellation;

7 (2) those which have been paid or are deemed to be paid in
8 accordance with the Water Authority ordinance or resolution authorizing the
9 issuance of the applicable System Obligations or otherwise relating thereto, provided
10 that the payment of insured Obligations with the proceeds of a bond insurance policy
11 shall not result in those insured obligations ceasing to be Outstanding;

12 (3) in the case of Variable Rate Obligations, System
13 Obligations deemed tendered but not yet presented for payment;

14 (4) any System Obligation which has been refunded in
15 accordance with this Ordinance or other ordinances of the Water Authority
16 authorizing the defeasance of such designated System Obligations; and

17 (5) those in lieu of or in exchange or substitution for which
18 other System Obligations shall have been delivered, unless proof satisfactory to the
19 Water Authority and the paying agent for the applicable System Obligations is
20 presented that any System Obligation for which a new System Obligation was
21 issued or exchanged is held by a bona fide holder in due course.

22 PROGRAM ACCOUNT. The the book account established by the
23 Finance Authority in the name of the Water Authority for purposes of tracking
24 expenditure of the Loan by the Water Authority to pay for the costs of the Project, as
25 shown in the Term Sheet, which account shall be kept separate and apart from all
26 other accounts of the Finance Authority.

27 PROJECT. Acquiring additional System assets, extending, repairing,
28 replacing and improving the Water Authority's System, including, acquisition and
29 installation of Advanced Metering Infrastructure meters and the payment of
30 Expenses associated with the execution and delivery of the Loan Agreement.

1 PUBLIC PROJECT REVOLVING FUND LOAN AGREEMENT (2011).
2 The loan agreement dated December 15, 2011 between the Finance Authority and
3 the Water Authority in the principal amount of \$53,400,000 and approved by
4 Ordinance No. O-11-5 and Resolution No. R-11-17 constituting a senior lien on the
5 Net Revenues.

6 QUALIFIED EXCHANGE AGREEMENT. Any interest rate exchange
7 between the Water Authority and a counterparty which, when entered into by the
8 Water Authority, satisfies the requirements of Section 6-18-8.1 NMSA 1978.

9 RATE COVENANT. The covenants in the Loan Agreement relating to
10 charging rates for use of the System to pay Debt Service Requirements.

11 RATE STABILIZATION FUND. The Rate Stabilization Fund for
12 System Obligations previously established by the Water Authority and continued in
13 Section 13 of this Ordinance.

14 SENIOR OBLIGATIONS. The Series 2009A-1 Bonds, the Drinking
15 Water State Revolving Fund Loan Agreement (2009), the Public Project Revolving
16 Fund Loan Agreement (2011), the Series 2013A&B Bonds, the Series 2014A Bonds,
17 the Series 2015 Bonds, the Series 2017 Bonds, the Loan Agreement and obligations
18 related thereto designated as Senior Obligations, in any ordinance or resolution of
19 the Water Authority relating to those Senior Obligations, and any other System
20 Obligations issued with a lien on the Net Revenues on parity with the lien of the
21 Outstanding Senior Obligations on Net Revenues.

22 SERIES 2009A-1 BONDS. The Senior Obligations designated as
23 "Albuquerque Bernalillo County Water Utility Authority Joint Water and Sewer
24 System Improvement Revenue Bonds, Series 2009A-1" in the original principal
25 amount of \$135,990,000, authorized and issued pursuant to Ordinance No. O-09-1
26 and Resolution No. R-09-7 constituting a senior lien on the Net Revenues.

27 SERIES 2013A&B BONDS. The Senior Obligations designated as the
28 "Albuquerque Bernalillo County Water Utility Authority Joint Water and Sewer
29 System Improvement Revenue Bonds, Series 2013A" and the "Albuquerque
30 Bernalillo County Water Utility Authority Joint Water and Sewer System Refunding
31 Revenue Bonds, Series 2013B" in the combined original principal amount of

1 \$118,215,000, authorized and issued pursuant to Ordinance No. O-13-2 and
2 Resolution R-13-13 constituting a senior lien on the Net Revenues.

3 SERIES 2014A BONDS. The Senior Obligations designated as the
4 “Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and
5 Sewer System Refunding Revenue Bonds, Series 2014A” in the original principal
6 amount of \$97,270,000, authorized and issued pursuant to Ordinance No. F/S O-14-
7 2 and Resolution F/S R-14-10 constituting a senior lien on the Net Revenues.

8 SERIES 2014B BONDS. The Subordinate Obligations designated as
9 the “Albuquerque Bernalillo County Water Utility Authority Subordinate Lien Joint
10 Water and Sewer System Refunding Revenue Bonds, Series 2014B” in the original
11 principal amount of \$87,005,000, authorized and issued pursuant to Ordinance No.
12 F/S O-14-2 and Resolution F/S R-14-10 constituting a subordinate lien on the Net
13 Revenues.

14 SERIES 2015 BONDS. The Senior Obligations designated as the
15 “Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and
16 Sewer System Refunding and Improvement Revenue Bonds, Series 2015” in the
17 original principal amount of \$211,940,000, authorized and issued pursuant to
18 Ordinance No. O-15-2 and Resolution F/S R-15-6 constituting a senior lien on the
19 Net Revenues.

20 SERIES 2017 BONDS. The Senior Obligations designated as the
21 “Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and
22 Sewer System Refunding and Improvement Revenue Bonds, Series 2017” in the
23 original principal amount of \$87,970,000, authorized and issued pursuant to
24 Ordinance No. WUA O-16-2 and Resolution WUA R-16-13 constituting a senior lien
25 on the Net Revenues.

26 STATE. The State of New Mexico.

27 SUBORDINATE OBLIGATIONS. The Drinking Water State Revolving
28 Fund Loan Agreement (2008), the Series 2014B Bonds, and all other bonds and
29 other obligations of the Water Authority now or hereafter issued with a lien on the
30 Net Revenues subordinate to the lien of Senior Obligations and superior to the lien
31 of the Super Subordinate Obligations on the Net Revenues.

1 SUBSIDY. The subsidy in the form of principal forgiveness for the
2 Water Authority, to be applied proportionally at the time of each disbursement of
3 moneys from the Program Account to the Water Authority, being fifty percent (50%)
4 of such disbursements.

5 SUPER SUBORDINATE OBLIGATIONS. The Water Trust Board
6 Loans, and all other bonds and other obligations of the Water Authority now or
7 hereafter issued with a lien on the Net Revenues subordinate to the liens of the
8 Senior Obligations and the Subordinate Obligations on the Net Revenues.

9 SYSTEM. The public utility owned by the Water Authority and
10 designated as the Water Authority's water system and sanitary sewer system
11 (continued as a joint utility system in Section 4 of this Ordinance) consisting of all
12 properties, real, personal, mixed or otherwise, now owned or hereafter acquired by
13 the Water Authority, through purchase, construction or otherwise, including all
14 extensions, enlargements and improvements of or to the water and sanitary sewer
15 system and used in connection therewith or relating thereto, and any other related
16 activity or enterprise of the Water Authority designated by the Board as part of the
17 water and sanitary sewer system, whether situated within or without the
18 geographical limits of the Water Authority.

19 SYSTEM OBLIGATIONS. All bonds and other similar indebtedness
20 payable solely or primarily from Net Revenues, including, without limitation, the
21 Senior Obligations, the Subordinate Obligations and the Super Subordinate
22 Obligations.

23 TERM SHEET. Exhibit "A" to the Loan Agreement.

24 VARIABLE RATE OBLIGATIONS. System Obligations, including
25 reimbursement obligations pursuant to a Credit Facility, the interest rate on which is
26 subject to change from time to time.

27 WATER AUTHORITY. The Albuquerque Bernalillo County Water
28 Utility Authority created by Section 72-1-10 NMSA 1978 as a joint agency of the City
29 and the County and operating under the name Albuquerque Bernalillo County Water
30 Utility Authority.

1 WATER TRUST BOARD. The board created by Section 72-4A-4
2 NMSA 1978.

3 WATER TRUST BOARD LOANS. As of the date of adoption of the
4 Ordinance, the Water Trust Board Loan/Grant Agreement (2017).

5 WATER TRUST BOARD LOAN/GRANT AGREEMENT (2017). The
6 loan/grant agreement between the Finance Authority and the Water Trust Board in
7 the original principal amount of \$1,673,874, comprised of \$669,550 loan and
8 \$1,004,324 grant, authorized and approved by Water Authority Ordinance
9 Enactment No. O-16-3 and Resolution Enactment No. R- constituting a super
10 subordinate lien on the Net Revenues.

11 (B) RULES OF CONSTRUCTION. For purposes of this Ordinance,
12 unless otherwise expressly provided or unless the context requires otherwise:

13 (1) Unless otherwise stated in this Ordinance, all references
14 in this Ordinance to designated Sections and other subdivisions are to the
15 designated Section and other subdivisions of this Ordinance.

16 (2) The words “herein”, “hereof”, “hereunder”, and “herewith”
17 and other words of similar import in this Ordinance refer to this Ordinance, as a
18 whole, and not to any particular Section or other subdivision.

19 (3) All accounting terms not otherwise defined in this
20 Ordinance have the meanings assigned to them in accordance with generally
21 accepted accounting principles.

22 (4) Words of the masculine gender shall be deemed and
23 construed to include correlative words of the feminine and neuter genders.

24 (5) The headings used in this Ordinance are for convenience
25 of reference only and shall not define or limit the provisions of this Ordinance.

26 (6) Terms in the singular include the plural and vice versa.

27 Section 2. RATIFICATION. All actions previously taken (not inconsistent
28 with the provisions of this Ordinance) by the Board and the officers of the Water
29 Authority, directed toward the authorization, pledge, collection and distribution of the
30 Net Revenues, the Project, and the authorization, execution and delivery of the Loan
31 Agreement are ratified, approved and confirmed.

1 Section 3. FINDINGS.

2 (A) The Water Authority declares that it has considered all relevant
3 information and data and finds that the execution and delivery of the Loan
4 Agreement under the Act in the Maximum Principal Amount to finance the Project is
5 necessary and in the interest of the public health, safety and welfare of the residents
6 of the geographic area served by the Water Authority.

7 (B) The Water Authority will finance the Project with the proceeds of
8 the Loan Agreement, together with other funds of the Water Authority, if necessary.

9 (C) It is economically feasible to accomplish the Project by the
10 execution and delivery of the Loan Agreement.

11 (D) The Net Revenues may lawfully be pledged to secure the
12 payment of amounts due under the Loan Agreement.

13 Section 4. JOINT UTILITY. The System shall continue to be operated and
14 maintained as a joint public utility.

15 Section 5. LOAN AGREEMENT – AUTHORIZATION AND DETAIL.

16 (A) AUTHORIZATION. This Ordinance has been adopted by the
17 affirmative vote of at least a majority of all of the members of the Board. For the
18 purpose of protecting the public health, conserving the property, and protecting the
19 general welfare and prosperity of the public served by the Water Authority and
20 acquiring and constructing the Project, it is hereby declared necessary that the
21 Water Authority, pursuant to the Act, execute and deliver the Loan Agreement
22 evidencing a special limited obligation of the Water Authority to pay a principal
23 amount of five hundred five thousand dollars (\$505,000) and interest thereon, and to
24 accept a loan subsidy in the amount of five hundred five thousand dollars (\$505,000)
25 and the execution and delivery of the Loan Agreement is hereby authorized. The
26 Water Authority shall use the proceeds of the Loan and Subsidy (i) to finance the
27 acquisition and construction of the Project and (ii) to pay Expenses. The Project will
28 be owned by the Water Authority.

29 (B) DETAIL. The Loan Agreement shall be in substantially the form
30 of the Loan Agreement presented at the meeting of the Board at which this
31 Ordinance was adopted. The Loan shall be in an amount not to exceed the

1 Maximum Principal Amount of one million ten thousand dollars (\$1,010,000). The
2 Loan Agreement Principal Amount shall be payable in installments of principal due
3 on May 1 of the years designated in the Final Loan Agreement Payment Schedule
4 and bear interest payable on May 1 and November 1 of each year, commencing on
5 November 1, 2018, at the rates designated in the Loan Agreement, including Exhibit
6 "A" thereto, which rates include the Administrative Fee. Interest on Loan Agreement
7 will be computed on the basis of a 360-day year consisting of twelve 30-day months.

8 Section 6. AUTHORIZATION OF PROJECT AND EXPENSES.

9 (A) PROJECT. The Project is hereby authorized and approved.

10 (B) EXPENSES. The payment of Expenses is authorized and
11 approved.

12 (C) PROCEEDS. The proceeds of the Loan Agreement will be
13 used exclusively to finance the Project including the payment of Expenses.

14 Section 7. APPROVAL OF THE LOAN AGREEMENT. The form of the
15 Loan Agreement as presented at the meeting of the Board at which this Ordinance
16 was adopted is hereby approved. Authorized Officers are hereby individually
17 authorized to execute, acknowledge and deliver the Loan Agreement with such
18 changes, insertions and omissions as may be approved by such individual
19 Authorized Officers, and the Executive Director is hereby authorized to affix the seal
20 of the Water Authority on the Loan Agreement and attest the same. The execution
21 of the Loan Agreement by an Authorized Officer shall be conclusive evidence of
22 such approval.

23 Section 8. SPECIAL LIMITED OBLIGATIONS. The Loan Agreement shall
24 be secured by the pledge of the Net Revenues as set forth in the Loan Agreement
25 and shall be payable solely from the Net Revenues. The Loan Agreement, together
26 with interest thereon and other obligations of the Water Authority thereunder, shall
27 be a special, limited obligation of the Water Authority, payable solely from the Net
28 Revenues as provided in this Ordinance, and the Loan Agreement shall not
29 constitute a general obligation of the Water Authority, the City, the County, or the
30 State, and the holders of the Loan Agreement may not look to any general or other
31 fund of the Water Authority for payment of the obligations thereunder. Nothing

1 contained in this Ordinance nor in the Loan Agreement, nor any other instruments,
2 shall be construed as obligating the Water Authority (except with respect to the
3 application of the Net Revenues) or as imposing a pecuniary liability or a charge
4 upon the general credit of the Water Authority, nor shall a breach of any agreement
5 contained in this Ordinance, the Loan Agreement, or any other instrument impose
6 any pecuniary liability upon the Water Authority or any charge upon its general
7 credit. The Loan Agreement shall never constitute an indebtedness of the Water
8 Authority within the meaning of any State constitutional provision or statutory
9 limitation and shall never constitute or give rise to a pecuniary liability of the Water
10 Authority or a charge against its general credit. Nothing herein shall prevent the
11 Water Authority from applying other funds of the Water Authority legally available
12 therefor to payments required by the Loan Agreement, in its sole and absolute
13 discretion.

14 Section 9. DISPOSITION OF PROCEEDS; COMPLETION OF
15 ACQUISITION AND CONSTRUCTION OF THE PROJECT.

16 (A) ACCOUNT. The Water Authority hereby consents to creation of
17 the Program Account, Expense Fund and Debt Service Account to be held and
18 maintained by the Finance Authority as provided in the Loan Agreement. The Water
19 Authority hereby approves of the deposit of a portion of the proceeds of the Loan
20 Agreement in the Program Account and Expense Fund. The proceeds derived from
21 the execution and delivery of the Loan Agreement shall be deposited promptly upon
22 receipt thereof in the Expense Fund and the Program Account, as provided in the
23 Loan Agreement. Until the Completion Date or the date of the Final Disbursement,
24 the money in the Program Account shall be used and paid out solely for the purpose
25 of acquiring and constructing the Project and to pay Expenses in compliance with
26 applicable law and the provisions of the Loan Agreement.

27 (B) PROMPT COMPLETION OF THE PROJECT. The Water
28 Authority will acquire, construct and complete the Project with all due diligence.
29 Upon the acquisition and completion of the Project, the Water Authority shall
30 execute and send to the Finance Authority a certificate stating that the completion of
31 and payment for the Project has been completed.

1 (C) FINANCE AUTHORITY NOT RESPONSIBLE FOR
2 APPLICATION OF LOAN PROCEEDS. The Finance Authority shall in no manner
3 be responsible for the application or disposal by the Water Authority or by its officers
4 of the net proceeds derived from the Loan Agreement.

5 Section 10. DEPOSIT OF NET REVENUES; DISTRIBUTIONS OF NET
6 REVENUES AND FLOW OF FUNDS.

7 (A) DEPOSIT OF NET REVENUES. Net Revenues shall be paid
8 directly by the Water Authority to the Finance Authority in an amount sufficient to pay
9 principal and interest due under the Loan Agreement, as provided in Section 5.2 of
10 the Loan Agreement.

11 (B) TERMINATION OF DEPOSITS TO MATURITY. No payment
12 shall be made into the Debt Service Account if the amount in the Debt Service
13 Account totals a sum at least equal to the entire aggregate amount of Loan
14 Agreement Payments to become due as to principal and interest due under the Loan
15 Agreement, in which case moneys in such account in an amount at least equal to
16 such principal and interest requirements shall be used solely to pay such obligations
17 as the same become due, and any moneys in excess thereof in such accounts shall
18 be transferred to the Water Authority and used as provided in Section 10(C) below.

19 (C) USE OF SURPLUS REVENUES. After making all the
20 payments hereinabove required to be made by this Section, any moneys remaining
21 in the Debt Service Account shall be transferred to the Water Authority on a timely
22 basis and applied to any other lawful purpose, including, but not limited to, the
23 payment of any Senior Obligations, Subordinate Obligations or Super Subordinate
24 Obligations, or purposes authorized by the Water Authority, the Constitution and
25 laws of the State, as the Water Authority may from time to time determine.

26 Section 11. LIEN ON NET REVENUES. The Loan Agreement shall be
27 issued with a lien on the Net Revenues on parity with the lien of the Senior
28 Obligations on the Net Revenues and a lien superior to the liens of the Subordinate
29 Obligations and the Super Subordinate Obligations on the Net Revenues. The Net
30 Revenues are hereby authorized to be pledged, and are hereby pledged, and the
31 Water Authority grants a security interest therein, for the payment of the principal

1 and interest due under the Loan Agreement, subject to the uses thereof permitted by
2 and the priorities set forth in this Ordinance and the Loan Agreement. The Loan
3 Agreement constitutes an irrevocable first lien, but not necessarily an exclusive first
4 lien, on the Net Revenues as set forth herein and therein, and the Water Authority
5 shall not create a lien on the Net Revenues superior to that of the Loan Agreement
6 without the express prior written approval of the Finance Authority.

7 Section 12. AUTHORIZED OFFICERS; DELEGATED POWERS.

8 Authorized Officers are hereby individually authorized and directed to execute and
9 deliver any and all papers, instruments, opinions, affidavits and other documents
10 and to do and cause to be done any and all acts and things necessary or proper for
11 carrying out this Ordinance, the Loan Agreement and all other transactions
12 contemplated hereby and thereby. Authorized Officers are hereby individually
13 authorized to do all acts and things required of them by this Ordinance and the Loan
14 Agreement for the full, punctual and complete performance of all the terms,
15 covenants and agreements contained in this Ordinance and the Loan Agreement
16 including, but not limited to, the execution and delivery of closing documents,
17 additional agreements and reports required in connection with the execution and
18 delivery of the Loan Agreement, and the publication of the summary of this
19 Ordinance set out in Section 19 of this Ordinance (with such changes, additions and
20 deletions as may be necessary).

21 Section 13. FUNDS AND ACCOUNTS.

22 (A) JOINT WATER AND SEWER FUND. The Water Authority shall
23 continue the Joint Water and Sewer Fund as a separate, distinct and segregated
24 fund. As long as the Loan Agreement is outstanding, all Gross Revenues shall
25 continue to be set aside and credited to the Joint Water and Sewer Fund.

26 (B) DEBT SERVICE FUND AND ACCOUNTS. The Water Authority
27 shall continue the Debt Service Fund as a separate, distinct and segregated fund for
28 the deposit of Net Revenues for the payment of System Obligations, including the
29 Loan Agreement. The Water Authority shall continue the Expense Account as part
30 of the Debt Service Fund. Money on deposit or credited to the Expense Account
31 shall be used for the purpose of payment of Expenses.

1 (C) RATE STABILIZATION FUND. The Water Authority shall
2 continue the Rate Stabilization Fund as a separate, distinct and segregated fund.

3 Section 14. AMENDMENT OF ORDINANCE. Prior to the Closing Date, the
4 provisions of this Ordinance may be supplemented or amended by ordinance of the
5 Board with respect to any changes which are not inconsistent with the substantive
6 provisions of this Ordinance. After the Closing Date, this Ordinance may be
7 amended without receipt by the Water Authority of any additional consideration, but
8 only with the prior written consent of the Finance Authority.

9 Section 15. LIMITATION OF RIGHTS. Nothing in this Ordinance expressed
10 or implied is intended or shall be construed to give to any person other than the
11 Water Authority, the Finance Authority and the parties to which such right, remedy or
12 claim is expressly granted by this Ordinance any legal or equitable right, remedy or
13 claim under or in respect to the Ordinance.

14 Section 16. ORDINANCE IRREPEALABLE. After the Closing Date, this
15 Ordinance shall be and remain irrevocable until all obligations due under the Loan
16 Agreement shall be fully paid, canceled and discharged, as herein provided.

17 Section 17. SEVERABILITY CLAUSE. If any section, paragraph, clause or
18 provision of this Ordinance shall for any reason be held to be invalid or
19 unenforceable, the invalidity or unenforceability of that section, paragraph, clause or
20 provision shall not affect any of the remaining provisions of this Ordinance.

21 Section 18. REPEALER CLAUSE. All bylaws, orders, resolutions and
22 ordinances, or parts thereof, inconsistent with this Ordinance are repealed to the
23 extent only of such inconsistency. This repealer shall not be construed to revive any
24 bylaw, order, resolution or ordinance, or part thereof, previously repealed.

25 Section 19. GENERAL SUMMARY FOR PUBLICATION. The title and a
26 general summary of the subject matter contained in this Ordinance shall be
27 published in substantially the following form:

28 (Form of Summary of Ordinance for Publication)

29 Albuquerque Bernalillo County Water Utility Authority

30 Notice of Adoption of Ordinance

1 NOTICE IS HEREBY GIVEN, pursuant to the provisions of Section 6-14-6
2 NMSA 1978, that on March 21, 2018, the Board of Albuquerque Bernalillo County
3 Water Utility Authority (the "Water Authority") adopted Water Authority Ordinance
4 No. O-18-2, an ordinance which authorizes the execution and delivery of a loan
5 agreement with the New Mexico Finance Authority in an aggregate principal amount
6 of \$1,010,000 to make improvements to the Water Authority's Joint Water and
7 Sanitary Sewer System.

8 The title of the Ordinance is:

9 **ORDINANCE**

10 **AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN**
11 **AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE**
12 **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY (THE**
13 **"WATER AUTHORITY") AND THE NEW MEXICO FINANCE AUTHORITY,**
14 **EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE WATER AUTHORITY**
15 **TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN FIVE HUNDRED FIVE**
16 **THOUSAND DOLLARS (\$505,000), TOGETHER WITH INTEREST, COSTS OF**
17 **ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN**
18 **SUBSIDY OF NO MORE THAN FIVE HUNDRED FIVE THOUSAND DOLLARS**
19 **(\$505,000), FOR THE PURPOSE OF FINANCING THE COSTS OF UPGRADING**
20 **THE WATER AUTHORITY'S WATER SYSTEM, INCLUDING, ACQUISITION AND**
21 **INSTALLATION OF ADVANCED METERING INFRASTRUCTURE METERS;**
22 **PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL, INTEREST**
23 **AND ADMINISTRATIVE FEES DUE UNDER THE LOAN AGREEMENT SOLELY**
24 **FROM NET REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE**
25 **LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE**
26 **LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN;**
27 **REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND**
28 **AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE**
29 **EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.**

30 The title contains a general summary of the subject matter contained in the
31 Ordinance.

1 This notice constitutes compliance with § 6-14-6 NMSA 1978.

2 (End of Summary of Ordinance for Publication)

3 PASSED AND ADOPTED THIS 21st DAY OF MARCH, 2018.

4 BY A VOTE OF ____ FOR AND ____ AGAINST.

5

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8

Chair

9 ATTEST:

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Secretary

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SOURCES AND USES OF FUNDS

Albuquerque Bernalillo County Water Utility Authority
4200-DW, Albuquerque Advanced Meter Infrastructure Upgrade

Sources:

Bond Proceeds:	
Par Amount	505,000.00
Other Sources of Funds:	
DWSRLF Subsidy (50% Principal Forgiveness)	500,000.00
COI Subsidy (50% Forgiveness)	5,000.00
	<hr/> 505,000.00
	<hr/> 1,010,000.00

Uses:

Project Fund Deposits:	
Project Fund	500,000.00
Delivery Date Expenses:	
Cost of Issuance	5,000.00
Other Uses of Funds:	
DWSRLF Subsidy (50% Principal Forgiveness)	500,000.00
COI Subsidy (50% Forgiveness)	5,000.00
	<hr/> 505,000.00
	<hr/> 1,010,000.00

BOND SUMMARY STATISTICS

Albuquerque Bernalillo County Water Utility Authority
4200-DW, Albuquerque Advanced Meter Infrastructure Upgrade

Dated Date	04/06/2018
Delivery Date	04/06/2018
Last Maturity	05/01/2040

Arbitrage Yield	1.999931%
True Interest Cost (TIC)	1.999931%
Net Interest Cost (NIC)	2.000000%
All-In TIC	2.087983%
Average Coupon	2.000000%

Average Life (years)	13.226
Duration of Issue (years)	11.432

Par Amount	505,000.00
Bond Proceeds	505,000.00
Total Interest	133,584.53
Net Interest	133,584.53
Total Debt Service	638,584.53
Maximum Annual Debt Service	30,884.70
Average Annual Debt Service	28,935.23

Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount	
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Bid Price	100.000000
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Bond Component	Par Value	Price	Average Coupon	Average Life
Loan Component	505,000.00	100.000	2.000%	13.226
	505,000.00			13.226

	TIC	All-In TIC	Arbitrage Yield
Par Value	505,000.00	505,000.00	505,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-5,000.00	
- Other Amounts			
Target Value	505,000.00	500,000.00	505,000.00
Target Date	04/06/2018	04/06/2018	04/06/2018
Yield	1.999931%	2.087983%	1.999931%

DETAILED BOND DEBT SERVICE

Albuquerque Bernalillo County Water Utility Authority
4200-DW, Albuquerque Advanced Meter Infrastructure Upgrade

Loan Component (LOAN)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2018			5,751.39	5,751.39	
05/01/2019			5,050.00	5,050.00	10,801.39
11/01/2019			5,050.00	5,050.00	
05/01/2020			5,050.00	5,050.00	10,100.00
11/01/2020			5,050.00	5,050.00	
05/01/2021	20,784	2.000%	5,050.00	25,834.00	30,884.00
11/01/2021			4,842.16	4,842.16	
05/01/2022	21,200	2.000%	4,842.16	26,042.16	30,884.32
11/01/2022			4,630.16	4,630.16	
05/01/2023	21,624	2.000%	4,630.16	26,254.16	30,884.32
11/01/2023			4,413.92	4,413.92	
05/01/2024	22,056	2.000%	4,413.92	26,469.92	30,883.84
11/01/2024			4,193.36	4,193.36	
05/01/2025	22,497	2.000%	4,193.36	26,690.36	30,883.72
11/01/2025			3,968.39	3,968.39	
05/01/2026	22,947	2.000%	3,968.39	26,915.39	30,883.78
11/01/2026			3,738.92	3,738.92	
05/01/2027	23,406	2.000%	3,738.92	27,144.92	30,883.84
11/01/2027			3,504.86	3,504.86	
05/01/2028	23,874	2.000%	3,504.86	27,378.86	30,883.72
11/01/2028			3,266.12	3,266.12	
05/01/2029	24,352	2.000%	3,266.12	27,618.12	30,884.24
11/01/2029			3,022.60	3,022.60	
05/01/2030	24,839	2.000%	3,022.60	27,861.60	30,884.20
11/01/2030			2,774.21	2,774.21	
05/01/2031	25,336	2.000%	2,774.21	28,110.21	30,884.42
11/01/2031			2,520.85	2,520.85	
05/01/2032	25,843	2.000%	2,520.85	28,363.85	30,884.70
11/01/2032			2,262.42	2,262.42	
05/01/2033	26,359	2.000%	2,262.42	28,621.42	30,883.84
11/01/2033			1,998.83	1,998.83	
05/01/2034	26,887	2.000%	1,998.83	28,885.83	30,884.66
11/01/2034			1,729.96	1,729.96	
05/01/2035	27,424	2.000%	1,729.96	29,153.96	30,883.92
11/01/2035			1,455.72	1,455.72	
05/01/2036	27,973	2.000%	1,455.72	29,428.72	30,884.44
11/01/2036			1,175.99	1,175.99	
05/01/2037	28,532	2.000%	1,175.99	29,707.99	30,883.98
11/01/2037			890.67	890.67	
05/01/2038	29,103	2.000%	890.67	29,993.67	30,884.34
11/01/2038			599.64	599.64	
05/01/2039	29,685	2.000%	599.64	30,284.64	30,884.28
11/01/2039			302.79	302.79	
05/01/2040	30,279	2.000%	302.79	30,581.79	30,884.58
	505,000		133,584.53	638,584.53	638,584.53

DETAILED BOND DEBT SERVICE

Albuquerque Bernalillo County Water Utility Authority
4200-DW, Albuquerque Advanced Meter Infrastructure Upgrade

Loan Component (LOAN)

Period Ending	Principal	Coupon	Interest	Debt Service
05/01/2019			10,801.39	10,801.39
05/01/2020			10,100.00	10,100.00
05/01/2021	20,784	2.000%	10,100.00	30,884.00
05/01/2022	21,200	2.000%	9,684.32	30,884.32
05/01/2023	21,624	2.000%	9,260.32	30,884.32
05/01/2024	22,056	2.000%	8,827.84	30,883.84
05/01/2025	22,497	2.000%	8,386.72	30,883.72
05/01/2026	22,947	2.000%	7,936.78	30,883.78
05/01/2027	23,406	2.000%	7,477.84	30,883.84
05/01/2028	23,874	2.000%	7,009.72	30,883.72
05/01/2029	24,352	2.000%	6,532.24	30,884.24
05/01/2030	24,839	2.000%	6,045.20	30,884.20
05/01/2031	25,336	2.000%	5,548.42	30,884.42
05/01/2032	25,843	2.000%	5,041.70	30,884.70
05/01/2033	26,359	2.000%	4,524.84	30,883.84
05/01/2034	26,887	2.000%	3,997.66	30,884.66
05/01/2035	27,424	2.000%	3,459.92	30,883.92
05/01/2036	27,973	2.000%	2,911.44	30,884.44
05/01/2037	28,532	2.000%	2,351.98	30,883.98
05/01/2038	29,103	2.000%	1,781.34	30,884.34
05/01/2039	29,685	2.000%	1,199.28	30,884.28
05/01/2040	30,279	2.000%	605.58	30,884.58
	505,000		133,584.53	638,584.53

BOND SOLUTION

Albuquerque Bernalillo County Water Utility Authority
4200-DW, Albuquerque Advanced Meter Infrastructure Upgrade

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
05/01/2018							
05/01/2019		10,801	85,371,699	85,382,500	118,399,994	33,017,494	138.67009%
05/01/2020		10,100	75,192,733	75,202,833	118,399,994	43,197,161	157.44087%
05/01/2021	20,784	30,884	75,199,808	75,230,692	118,399,994	43,169,302	157.38257%
05/01/2022	21,200	30,884	68,663,333	68,694,217	118,399,994	49,705,777	172.35802%
05/01/2023	21,624	30,884	68,657,944	68,688,829	118,399,994	49,711,165	172.37154%
05/01/2024	22,056	30,884	63,234,469	63,265,353	118,399,994	55,134,641	187.14824%
05/01/2025	22,497	30,884	57,629,746	57,660,630	118,399,994	60,739,364	205.33941%
05/01/2026	22,947	30,884	43,374,773	43,405,657	118,399,994	74,994,337	272.77549%
05/01/2027	23,406	30,884	32,704,852	32,735,735	118,399,994	85,664,259	361.68423%
05/01/2028	23,874	30,884	24,554,324	24,585,208	118,399,994	93,814,786	481.59038%
05/01/2029	24,352	30,884	24,561,469	24,592,353	118,399,994	93,807,641	481.45045%
05/01/2030	24,839	30,884	17,664,911	17,695,795	118,399,994	100,704,199	669.08547%
05/01/2031	25,336	30,884	17,005,859	17,036,744	118,399,994	101,363,250	694.96846%
05/01/2032	25,843	30,885	16,889,219	16,920,103	118,399,994	101,479,891	699.75928%
05/01/2033	26,359	30,884	16,883,968	16,914,852	118,399,994	101,485,142	699.97655%
05/01/2034	26,887	30,885	8,519,143	8,550,027	118,399,994	109,849,967	1384.79081%
05/01/2035	27,424	30,884	2,462,105	2,492,989	118,399,994	115,907,005	4749.31890%
05/01/2036	27,973	30,884	2,459,293	2,490,177	118,399,994	115,909,817	4754.68197%
05/01/2037	28,532	30,884	1,384,980	1,415,864	118,399,994	116,984,130	8362.38478%
05/01/2038	29,103	30,884	1,383,730	1,414,614	118,399,994	116,985,380	8369.77193%
05/01/2039	29,685	30,884		30,884	118,399,994	118,369,110	383366.535%
05/01/2040	30,279	30,885		30,885	118,399,994	118,369,109	383362.811%
	505,000	638,585	703,798,356	704,436,940	2,604,799,868	1,900,362,928	