
Meeting Date: May 23, 2018

Staff Contact: Stan Allred, Chief Financial Officer; Frank Roth, Senior Policy Manager

TITLE: R-18-11 – Confirming Approval of the Execution and Delivery of a Loan and Subsidy Agreement by and Between the Albuquerque Bernalillo County Water Utility Authority and the New Mexico Finance Authority for the Carnuel Phase 2b Project

ACTION: Recommend Approval

SUMMARY:

This legislation is the ratification, approval and confirmation of the actions taken by the Board and the officers of the Water Authority toward the financing of a loan/grant with the New Mexico Finance Authority (NMFA) in the amount of \$1,000,000 (\$250,000 loan/\$750,000 grant). The ratification, approval and confirmation include the execution of a Loan Agreement, the pledge of the Pledged Revenues and the adoption of Ordinance O-18-5. All capitalized terms shall have the same meaning as such terms have in Ordinance O-18-5.

This funding would construct waterlines for Phase 2b of the Carnuel Water System Improvements Project. This project is ready to bid and could be completed in approximately one year. The community of Carnuel mostly obtains their water from private wells and disposal through septic systems and is in urgent need of a central public water and wastewater system. In addition, the Carnuel community's private wells are shallow and often co-exist in the same areas with poorly functioning, aging septic systems which have led to nitrate contamination in many of the wells. Moreover, the Carnuel community has seen a serious decline in the quality of water coming from private wells and in some areas it does not meet the mandates of the Safe Drinking Water Act.

In November 2008, the Water Authority and the Carnuel Mutual Domestic Water Consumer Association entered into an agreement for the Water Authority to act as fiscal agent and extend water infrastructure using federal and state grants and loans.

The extension of the water system to the Carnuel community is an eight-phase project which will connect about 800 existing households. Phase 1 extended water service from an existing Water Authority reservoir to the High Priority area; the project was completed in November 2010. Phase 2a, which includes a 387,000 gallon water tank, was completed in September 2015. The water tank provides water storage capacity, fire flow protection, and redundancy to the project area. Phase 3a continued the

extension of the water distribution lines through the High Priority area; this project was completed in September 2016.

The Water Authority will own and operate the system. Residents who connect to the system will pay Water Authority Ordinance rates and fees. System expansion is guided by the Bernalillo County Tijeras Canyon/Carnuel Plan which identifies priority areas for water and wastewater service.

FISCAL IMPACT:

There is no fiscal impact associated with this legislation.

BILL NO. R-18-11

SECTION 2. If any section, paragraph, clause or provision of this Confirming Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Confirming Resolution.

1 SECTION 3. This Confirming Resolution shall be in full force and effect
2 immediately upon adoption.

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

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

8 Notice is hereby given that the Board of Directors of Albuquerque Bernalillo
9 County Water Utility Authority did on the 23rd day of May, 2018, adopt a resolution
10 entitled:

11 **CONFIRMING APPROVAL OF THE EXECUTION AND DELIVERY OF A**
12 **LOAN AND SUBSIDY AGREEMENT (THE "LOAN AGREEMENT") BY**
13 **AND BETWEEN THE ALBUQUERQUE BERNALILLO COUNTY WATER**
14 **UTILITY AUTHORITY (THE "WATER AUTHORITY") AND THE NEW**
15 **MEXICO FINANCE AUTHORITY EVIDENCING A SPECIAL LIMITED**
16 **OBLIGATION OF THE WATER AUTHORITY TO PAY A PRINCIPAL**
17 **AMOUNT OF NO MORE THAN TWO HUNDRED FIFTY THOUSAND**
18 **DOLLARS (\$250,000), TOGETHER WITH INTEREST, COSTS OF**
19 **ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO**
20 **ACCEPT A LOAN SUBSIDY OF NO MORE THAN SEVEN HUNDRED**
21 **FIFTY THOUSAND DOLLARS (\$750,000); AND RATIFYING ACTION**
22 **PREVIOUSLY TAKEN IN CONNECTION THEREWITH.**

23 The Confirming Resolution authorizes the execution and delivery of the Loan
24 Agreement. Complete copies of the Confirming Resolution are available for public
25 inspection during normal and regular business hours at the offices of the Water
26 Authority, One Civic Plaza, NW, Albuquerque, New Mexico.

27 Dated this 23rd day of May, 2018.
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1 PASSED AND ADOPTED THIS 23rd DAY OF MAY, 2018. BY A VOTE OF
2 _____ FOR AND _____ AGAINST.

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CHAIR

7 ATTEST:

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10 SECRETARY

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