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Meeting Date: September 19, 2018  
Staff Contact: Stan Allred, Chief Financial Officer

**TITLE:** R-18-20 – Confirming Approval of the Issuance of Albuquerque Bernalillo County Water Utility Authority (“Water Authority”) Senior Lien Joint Water and Sewer System Revenue Bonds, Series 2018 in one Series in the Principal Amount not to exceed \$83,000,000 (the 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 Revenue Bonds, Series 2018. It was prepared by the Modrall Law Firm as Bond Counsel for this transaction. 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-18-7, this Resolution authorize the Water Authority issue new money for basic needs improvements as approved by the Board in the decade plan and annual capital budget.. 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 new money financing will have a 12 year final maturity (July 1, 2030) with annual debt service of approximately \$8.85 million beginning in fiscal year 2020. There will be interest only payment in fiscal year 2019. 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, similar to the Water Authority’s prior debt issuances.

**COMMENTS:**

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

Current Senior Lien Bond ratings for this issue are as follows: AA+ Standard and Poor’s, Aa2 Moody’s. Fitch has a AA rating on outstanding bond prior to 2016 but the Authority will not be requesting a rating from Fitch for the 2018 Bonds or future debt issuances.

**BILL NO. R-18-20**

SECTION 3. The Confirming Resolution shall be in full force and effect immediately upon adoption.

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 published  
3 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 County  
7 Water Utility Authority did on the 19<sup>th</sup> day of September, 2018, adopt a resolution entitled:

8           **CONFIRMING APPROVAL OF THE ISSUANCE OF ALBUQUERQUE**  
9           **BERNALILLO COUNTY WATER UTILITY AUTHORITY (THE "WATER**  
10          **AUTHORITY") SENIOR LIEN JOINT WATER AND SEWER SYSTEM**  
11          **IMPROVEMENT REVENUE BONDS, SERIES 2018 IN ONE OR MORE**  
12          **SERIES IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED**  
13          **\$83,000,000 (THE "BONDS"); AND RATIFYING ACTION PREVIOUSLY**  
14          **TAKEN IN CONNECTION THEREWITH.**

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

19          Dated this 19<sup>th</sup> day of September, 2018.