Agenda Item No. 9b



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.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. <u>R-18-20</u>

1 RESOLUTION 2 CONFIRMING APPROVAL OF THE ISSUANCE OF ALBUQUERQUE BERNALILLO 3 COUNTY WATER UTILITY AUTHORITY (THE "WATER AUTHORITY") SENIOR LIEN 4 JOINT WATER AND SEWER SYSTEM IMPROVEMENT REVENUE BONDS, SERIES 5 2018 IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$83,000,000 (THE "BONDS"); AND RATIFYING ACTION PREVIOUSLY 6 7 TAKEN IN CONNECTION THEREWITH 8 WHEREAS, pursuant to Section 72-1-10 NMSA 1978, the Board (the "Board") of 9 the Albuquerque Bernalillo County Water Utility Authority (the "Water Authority") adopted 10 Ordinance No. O-18-7 on September 19, 2018 (the "Bond Ordinance") authorizing the 11 issuance of the Bonds to finance improvements to the Water Authority's joint water and 12 wastewater system as described therein; 13 BE IT RESOLVED BY THE WATER AUTHORITY: 14 SECTION 1. The issuance of the Bonds in one or more series in the aggregate 15 principal amount not to exceed \$83,000,000 is authorized. All action heretofore taken by 16 the Board and the officers of the Authority directed toward the financing of the Project, 17 the issuance of the Bonds, the pledge of the Net Revenues and the adoption of the Bond 18 Ordinance be, and the same hereby are, authorized, ratified, approved and confirmed. 19 Pursuant to the Bond Ordinance, the Delegate is authorized to approve the final terms of 20 the Bonds within the parameters set forth in the Bond Ordinance. All capitalized terms 21 shall have the same meaning as such terms have in the Bond Ordinance. 22 SECTION 2. If any section, paragraph, clause or provision of the Confirming 23 Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or 24 unenforceability of such section, paragraph, clause or provision shall not affect any of the 25 remaining provisions of the Confirming Resolution.

26 SECTION 3. The Confirming Resolution shall be in full force and effect27 immediately upon adoption.

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

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ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY LEGAL NOTICE

Notice is hereby given that the Board of Directors of Albuquerque Bernalillo County
Water Utility Authority did on the 19th 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.

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

- **19** Dated this 19th day of September, 2018.
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