
Meeting Date: April 22, 2020
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: O-20-1 – 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 for the Water Authority to Pay a Principal Amount of No More than Two Million Twenty Thousand Dollars (\$2,020,000), 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 Extending and Improving the Water Infrastructure System To The Carnuel Community, Including Acquisition and Installation of Water Distribution Lines; 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

ACTION: Recommend Approval

BACKGROUND:

This funding would construct waterlines for Phase 2c of the Carnuel Water System Improvements Project. This project has already been awarded and is scheduled to begin construction in March 2020. This project should be completed in approximately six months. 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 included 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. Phase 2b continued extension of water distribution lines and was completed in 2019, with the exception of various items including hydrostatic testing of the water lines, which are being completed under Phase 2c.

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.

SUMMARY:

Ordinance O-20-1 authorizes the execution and delivery of a loan and subsidy agreement in the amount of \$2,020,000 between the New Mexico Finance Authority (NMFA) and the Water Authority for the Water Authority submitted an application for financial assistance for the Phase 2c of the Carnuel Water System Improvements Project. This is a special limited obligation of the water Authority to pay a principal amount of no more than \$1,515,000 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 waterline infrastructure. The loan portion is a Senior Lien obligation and the waterline work has been appropriated by the Water Authority Board

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

FISCAL IMPACT:

The fiscal impact with this legislation is the repayable loan component of \$1.5 million with an annual debt service payment of \$58,703, commencing on November 1st and May 1st of each year through fiscal year 2052, with an effective interest rate of 1%, which includes the Administrative Fee. 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 this loan. Connection fees are projected to pay the outstanding debt service over the term of this agreement.

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 2c of the Carnuel Water System Improvements Project.

**ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY**

BILL NO. 0-20-1

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 TWO MILLION TWENTY THOUSAND DOLLARS (\$2,020,000), 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 EXTENDING AND IMPROVING THE WATER INFRASTRUCTURE SYSTEM TO THE CARNUEL COMMUNITY, INCLUDING ACQUISITION AND INSTALLATION OF WATER DISTRIBUTION LINES; 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

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

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

	Amount
<u>Senior Obligations</u>	<u>Outstanding</u>
Series 2013A&B Bonds	\$ 65,245,000
Series 2014A Bonds	\$ 71,355,000
Series 2015 Bonds	\$184,095,000
Series 2017 Bonds	\$ 80,050,000
Series 2018 Bonds	\$ 75,085,000
Series 2020 Bonds	\$ 69,440,000
Drinking Water State Revolving Fund Loan Agreement (2009)	\$ 623,706
Public Project Revolving Fund Loan Agreement (2011)	\$ 28,200,000
Drinking Water State Revolving Fund Loan Agreement (2018-4202)	\$ 1,000,000
Drinking Water State Revolving Fund Loan Agreement (2019-4877)	\$ 3,430,081
and	

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

	Amount
<u>Subordinate Obligations</u>	<u>Outstanding</u>
Series 2014B Bonds	\$ 50,660,000
Drinking Water State Revolving Fund Loan Agreement (2008)	\$ 6,372,743
and	

1 WHEREAS, the Water Authority currently has no Super Subordinate
2 Obligations outstanding payable from Net Revenues with a lien on the Net
3 Revenues subordinated to the Senior Obligations and Subordinate Obligations; and

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

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

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

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

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

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

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

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

30 Section 1. DEFINITIONS AND RULES OF CONSTRUCTION.

31 (A) DEFINITIONS. As used in this Ordinance, the following terms

1 have the meanings specified, unless the context clearly requires otherwise:

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

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

9 AGGREGATE DISBURSEMENTS. At any time after the Closing Date,
10 the sum of all Disbursements.

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

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

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

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

24 BOARD. The governing body in which is vested the legislative power
25 of the Water Authority.

26 CHAIR. The duly elected Chair of the Board or the Vice Chair of the
27 Board acting in the absence of the Chair.

28 CITY. The City of Albuquerque, in the County of Bernalillo and State
29 of New Mexico.

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

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

2 COUNTY. Bernalillo County, New Mexico.

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

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

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

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

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

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

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

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

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

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

27 (b) a fixed annual rate equal to the prevailing rate on
28 the Variable Rate Obligations on the date of computation (which, for the purpose of
29 determining the Debt Service Requirements, shall be a date which is no more than
30 60 days prior to the date of issuance of the applicable System Obligations) as
31 certified by the Water Authority's financial advisor, the underwriters of the System

Obligations, an investment banker designated by the Water Authority from time to time or a counterparty with respect to a Qualified Exchange Agreement.

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

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

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

DISBURSEMENT. An amount caused to be paid by the Finance Authority for an Approved Requisition for costs of the Project.

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

DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT (2009). The loan agreement between the Finance Authority and the Water Authority in the original principal amount of \$1,010,000, authorized and approved by Water Authority Ordinance Enactment No. O-09-9 and Resolution Enactment No. R-09-24 constituting a senior lien on the Net Revenues.

1 DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT
2 (2018-4202). The loan agreement between the Finance Authority and the Water
3 Authority in the original principal amount of \$1,000,000, authorized and approved by
4 Water Authority Ordinance Enactment No. O-18-5 and Resolution Enactment No. R-
5 18-11 constituting a senior lien on the Net Revenues.

6 DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT
7 (2019-4877). The loan agreement between the NMFA and the Water Authority in
8 the original principal amount of \$3,430,081, authorized and approved by Water
9 Authority Ordinance Enactment No. O-19-1 and Resolution Enactment No. R-19-4
10 constituting a senior lien on the Net Revenues.

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

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

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

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

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

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

1 GROSS REVENUES. All income and revenues directly or indirectly
2 derived by the Water Authority from the operation and use of the System, or any part
3 of the System, and includes, without limitation, all revenues received by the Water
4 Authority, or any municipal corporation or agency succeeding to the rights of the
5 Water Authority, from the System and from the sale and use of water, water services
6 or facilities, sewer service or facilities or any other service, commodity or facility or
7 any combination thereof furnished to the inhabitants of the geographic area served
8 by the Water Authority by means of the System as the same may at any time exist to
9 serve customers outside the Water Authority's geographical limits as well as
10 customers within the Water Authority's geographical limits. Such term also includes:

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

14 (2) Money released from a rebate fund to the Water
15 Authority;

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

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

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

28 Gross Revenues do not include:

29 (1) any money received as grants or gifts from the United
30 States of America, the State or other sources, or the proceeds of any charge or tax
31 intended as a replacement therefor or other capital contributions from any source

1 which are restricted as to use; and

2 (2) condemnation proceeds or the proceeds of any
3 insurance policy, except any property insurance proceeds described above in clause
4 (4) of this definition or derived in respect of loss of use or business interruption.

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

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

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

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

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

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

23 LOAN AGREEMENT PRINCIPAL AMOUNT. As of any date of
24 calculation, the Aggregate Repayable Disbursements then outstanding.

25 MAXIMUM FORGIVEN PRINCIPAL. The maximum amount of loan
26 subsidy available in the form of principal forgiveness, which is equal to
27 approximately twenty-five percent (25%) of the Maximum Principal Amount. The
28 Maximum Forgiven Principal is \$505,000.

29 MAXIMUM PRINCIPAL AMOUNT. Two million twenty thousand dollars
30 (\$2,020,000).

1 MAXIMUM REPAYABLE PRINCIPAL. The maximum amount of
2 Aggregate Repayable Disbursements repayable by the Water Authority pursuant to
3 this Loan Agreement, and is equal to the Maximum Principal Amount less the
4 Maximum Forgiven Principal. The Maximum Repayable Principal is \$1,515,000.

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

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

9 OPERATION AND MAINTENANCE EXPENSES. All reasonable and
10 necessary current expenses of the System, paid or accrued, related to operating,
11 maintaining and repairing the System including, without limiting the generality of the
12 foregoing:

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

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

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

21 (4) Expenses other than expenses paid from the proceeds of
22 System Obligations;

23 (5) the costs of audits of the books and accounts of the
24 Water Authority and the System;

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

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

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

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

7 ORDINANCE. This Ordinance, as amended or supplemented from
8 time to time.

9 OUTSTANDING. When used in reference to System Obligations, on
10 any particular date, the aggregate of all System Obligations issued and delivered
11 under the applicable Water Authority ordinance authorizing the issuance of, System
12 Obligations except:

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

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

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

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

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

30 PROGRAM ACCOUNT. The book account established by the Finance
31 Authority in the name of the Water Authority for purposes of tracking expenditure of

1 the Loan by the Water Authority to pay for the costs of the Project, as shown in the
2 Term Sheet, which account shall be kept separate and apart from all other accounts
3 of the Finance Authority.

4 PROJECT. Acquiring additional System assets, extending, repairing,
5 replacing and improving the Water Authority's System, including, acquisition and
6 installation of water distribution lines for the Carnuel community and the payment of
7 Expenses associated with the execution and delivery of the Loan Agreement.

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

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

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

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

21 SENIOR OBLIGATIONS. The Drinking Water State Revolving Fund
22 Loan Agreement (2009), the Public Project Revolving Fund Loan Agreement (2011),
23 the Series 2013A&B Bonds, the Series 2014A Bonds, the Series 2015 Bonds, the
24 Series 2017 Bonds, the Series 2018 Bonds, the Series 2020 Bonds, the Drinking
25 Water State Revolving Fund Loan Agreement (2018-4202), the Drinking Water
26 State Revolving Fund Loan Agreement (2019-4877), and obligations related thereto
27 designated as Senior Obligations, in any ordinance or resolution of the Water
28 Authority relating to those bonds, and any other System Obligations issued with a
29 lien on the Net Revenues on a parity with the lien of the Outstanding Senior
30 Obligations on Net Revenues.

1 SERIES 2013A&B BONDS. The Senior Obligations designated as the
2 “Albuquerque Bernalillo County Water Utility Authority Joint Water and Sewer
3 System Improvement Revenue Bonds, Series 2013A” and the “Albuquerque
4 Bernalillo County Water Utility Authority Joint Water and Sewer System Refunding
5 Revenue Bonds, Series 2013B” in the combined original principal amount of
6 \$118,215,000, authorized and issued pursuant to Ordinance No. O-13-2 and
7 Resolution R-13-13 constituting a senior lien on the Net Revenues.

8 SERIES 2014A BONDS. The Senior Obligations designated as the
9 “Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and
10 Sewer System Refunding Revenue Bonds, Series 2014A” in the original principal
11 amount of \$97,270,000, authorized and issued pursuant to Ordinance No. F/S O-14-
12 2 and Resolution F/S R-14-10 constituting a senior lien on the Net Revenues.

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

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

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

SERIES 2018 BONDS. The Senior Obligations designated as the “Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and Sewer System Improvement Revenue Bonds, Series 2018” in the original principal amount of \$75,085,000, authorized and issued pursuant to Ordinance No. WUA O-18-20 and Resolution WUA R-18-20 constituting a senior lien on the Net Revenues.

SERIES 2020 BONDS. The Senior Obligations designated as the “Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and Sewer System Improvement Revenue Bonds, Series 2020” in the original principal amount of \$69,440,000, authorized and issued pursuant to Ordinance No. WUA O-19-3 and Resolution WUA R-19-26 constituting a senior lien on the Net Revenues.

STATE. The State of New Mexico.

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

SUBSIDY. Any subsidy in the form of principal forgiveness for the Water Authority, to be applied proportionally at the time of each Disbursement to the Water Authority, being approximately twenty-five percent (25%) of such Disbursement.

SUPER SUBORDINATE OBLIGATIONS. All bonds and other obligations of the Water Authority now or hereafter issued with a lien on the Net Revenues subordinate to the liens of the Senior Obligations and the Subordinate Obligations on the Net Revenues.

SYSTEM. The public utility owned by the Water Authority and designated as the Water Authority’s water system and sanitary sewer system (continued as a joint utility system in Section 4 of this Ordinance) consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the Water Authority, through purchase, construction or otherwise, including all extensions, enlargements and improvements of or to the water and sanitary sewer system and used in connection therewith or relating thereto, and any other related

1 activity or enterprise of the Water Authority designated by the Board as part of the
2 water and sanitary sewer system, whether situated within or without the
3 geographical limits of the Water Authority.

4 SYSTEM OBLIGATIONS. All bonds and other similar indebtedness
5 payable solely or primarily from Net Revenues, including, without limitation, the
6 Senior Obligations, the Subordinate Obligations and the Super Subordinate
7 Obligations.

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

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

12 WATER AUTHORITY. The Albuquerque Bernalillo County Water
13 Utility Authority created by Section 72-1-10 NMSA 1978 as a joint agency of the City
14 and the County and operating under the name Albuquerque Bernalillo County Water
15 Utility Authority.

16 RULES OF CONSTRUCTION. For purposes of this Ordinance, unless
17 otherwise expressly provided or unless the context requires otherwise:

18 (1) Unless otherwise stated in this Ordinance, all references
19 in this Ordinance to designated Sections and other subdivisions are to the
20 designated Section and other subdivisions of this Ordinance.

21 (2) The words "herein", "hereof", "hereunder", and "herewith"
22 and other words of similar import in this Ordinance refer to this Ordinance, as a
23 whole, and not to any particular Section or other subdivision.

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

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

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

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

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

6 Section 3. FINDINGS.

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

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

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

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

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

20 Section 5. LOAN AGREEMENT – AUTHORIZATION AND DETAIL.

21 (A) AUTHORIZATION. This Ordinance has been adopted by the
22 affirmative vote of at least a majority of all of the members of the Board. For the
23 purpose of protecting the public health, conserving the property, and protecting the
24 general welfare and prosperity of the public served by the Water Authority and
25 acquiring and constructing the Project, it is hereby declared necessary that the
26 Water Authority, pursuant to the Act, execute and deliver the Loan Agreement
27 evidencing a special limited obligation of the Water Authority to pay a principal
28 amount of one million five hundred fifteen thousand dollars (\$1,515,000) and interest
29 thereon, and to accept a loan subsidy in the amount of five hundred five thousand
30 dollars (\$505,000) and the execution and delivery of the Loan Agreement is hereby
31 authorized. The Water Authority shall use the proceeds of the Loan and Subsidy (i)

1 to finance the acquisition and construction of the Project and (ii) to pay Expenses.
2 The Project will be owned by the Water Authority.

3 (B) DETAIL. The Loan Agreement shall be in substantially the form
4 of the Loan Agreement presented at the meeting of the Board at which this
5 Ordinance was adopted. The Loan shall be in an amount not to exceed the
6 Maximum Principal Amount of two million twenty thousand dollars (\$2,020,000).
7 The Loan Agreement Principal Amount shall be payable in installments of principal
8 due on May 1 of the years designated in the Final Loan Agreement Payment
9 Schedule and bear interest payable on May 1 and November 1 of each year,
10 commencing on November 1, 2020, at the rates designated in the Loan Agreement,
11 including Exhibit "A" thereto, which rates include the Administrative Fee. Interest on
12 Loan Agreement will be computed on the basis of a 360-day year consisting of
13 twelve 30-day months.

14 Section 6. AUTHORIZATION OF PROJECT AND EXPENSES.

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

16 (B) EXPENSES. The payment of Expenses is authorized and
17 approved.

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

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

29 Section 8. SPECIAL LIMITED OBLIGATIONS. The Loan Agreement shall
30 be secured by the pledge of the Net Revenues as set forth in the Loan Agreement
31 and shall be payable solely from the Net Revenues. The Loan Agreement, together

1 with interest thereon and other obligations of the Water Authority thereunder, shall
2 be a special, limited obligation of the Water Authority, payable solely from the Net
3 Revenues as provided in this Ordinance, and the Loan Agreement shall not
4 constitute a general obligation of the Water Authority, the City, the County, or the
5 State, and the holders of the Loan Agreement may not look to any general or other
6 fund of the Water Authority for payment of the obligations thereunder. Nothing
7 contained in this Ordinance nor in the Loan Agreement, nor any other instruments,
8 shall be construed as obligating the Water Authority (except with respect to the
9 application of the Net Revenues) or as imposing a pecuniary liability or a charge
10 upon the general credit of the Water Authority, nor shall a breach of any agreement
11 contained in this Ordinance, the Loan Agreement, or any other instrument impose
12 any pecuniary liability upon the Water Authority or any charge upon its general
13 credit. The Loan Agreement shall never constitute an indebtedness of the Water
14 Authority within the meaning of any State constitutional provision or statutory
15 limitation and shall never constitute or give rise to a pecuniary liability of the Water
16 Authority or a charge against its general credit. Nothing herein shall prevent the
17 Water Authority from applying other funds of the Water Authority legally available
18 therefor to payments required by the Loan Agreement, in its sole and absolute
19 discretion.

20 Section 9. DISPOSITION OF PROCEEDS; COMPLETION OF
21 ACQUISITION AND CONSTRUCTION OF THE PROJECT.

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

1 Agreement.

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

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

11 Section 10. DEPOSIT OF NET REVENUES; DISTRIBUTIONS OF NET
12 REVENUES AND FLOW OF FUNDS.

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

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

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

1 Section 11. LIEN ON NET REVENUES. The Loan Agreement shall be
2 issued with a lien on the Net Revenues on parity with the lien of the Senior
3 Obligations on the Net Revenues and a lien superior to the liens of the Subordinate
4 Obligations and the Super Subordinate Obligations on the Net Revenues. The Net
5 Revenues are hereby authorized to be pledged, and are hereby pledged, and the
6 Water Authority grants a security interest therein, for the payment of the principal
7 and interest due under the Loan Agreement, subject to the uses thereof permitted by
8 and the priorities set forth in this Ordinance and the Loan Agreement. The Loan
9 Agreement constitutes an irrevocable first lien, but not necessarily an exclusive first
10 lien, on the Net Revenues as set forth herein and therein, and the Water Authority
11 shall not create a lien on the Net Revenues superior to that of the Loan Agreement
12 without the express prior written approval of the Finance Authority.

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

27 Section 13. FUNDS AND ACCOUNTS.

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

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

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

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

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

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

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

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

31 Section 19. GENERAL SUMMARY FOR PUBLICATION. The title and a

1 general summary of the subject matter contained in this Ordinance shall be
2 published in substantially the following form:

3 (Form of Summary of Ordinance for Publication)

4 Albuquerque Bernalillo County Water Utility Authority

5 Notice of Adoption of Ordinance

6 NOTICE IS HEREBY GIVEN, pursuant to the provisions of Section 6-14-6
7 NMSA 1978, that on April 22, 2020, the Board of Albuquerque Bernalillo County
8 Water Utility Authority (the "Water Authority") adopted Water Authority Ordinance
9 No. O-20-1, an ordinance which authorizes the execution and delivery of a loan
10 agreement with the New Mexico Finance Authority in an aggregate principal amount
11 of \$2,020,000 to make improvements to the Water Authority's Joint Water and
12 Sanitary Sewer System.

13 The title of the Ordinance is:

14 **ORDINANCE**

15 **AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN**
16 **AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE**
17 **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY (THE**
18 **"WATER AUTHORITY") AND THE NEW MEXICO FINANCE AUTHORITY,**
19 **EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE WATER AUTHORITY**
20 **TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN TWO MILLION TWENTY**
21 **THOUSAND DOLLARS (\$2,020,000), TOGETHER WITH INTEREST, COSTS OF**
22 **ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN**
23 **SUBSIDY OF NO MORE THAN FIVE HUNDRED FIVE THOUSAND DOLLARS**
24 **(\$505,000), FOR THE PURPOSE OF FINANCING THE COSTS OF EXTENDING**
25 **AND IMPROVING THE WATER INFRASTRUCTURE SYSTEM TO THE CARNUEL**
26 **COMMUNITY, INCLUDING ACQUISITION AND INSTALLATION OF WATER**
27 **DISTRIBUTION LINES; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE**
28 **PRINCIPAL, INTEREST AND ADMINISTRATIVE FEES DUE UNDER THE LOAN**
29 **AGREEMENT SOLELY FROM NET REVENUES; SETTING A MAXIMUM**
30 **INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER**
31 **DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS**

1 **HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS**
2 **ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN**
3 **CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN**
4 **AGREEMENT.**

5 The title contains a general summary of the subject matter contained in the
6 Ordinance.

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

8 (End of Summary of Ordinance for Publication)

