



Albuquerque Bernalillo County Water Authority

Albuquerque/Bernalillo
County
Government Center
One Civic Plaza
Albuquerque, NM 87102

Legislation Details (With Text)

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Title: Approving the Sale of Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2015 in the Aggregate Principal Amount not to exceed \$275,000,000 (the "Bonds"); Establishing Certain Details of the Bonds; Providing for the Payment of the Costs of Issuance of the Bonds; Approving Disclosure and Other Documents Relating to the Bonds; and Ratifying Action Previously Taken in Connection Therewith

Sponsors: Albuquerque Bernalillo County Water Utility Author

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Date	Ver.	Action By	Action	Result
3/18/2015	1	Albuquerque Bernalillo County Water Utility Authority	Passed	Pass

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-15-6

RESOLUTION

Approving the Sale of Albuquerque Bernalillo County Water Utility Authority (the "Water Authority") Senior Lien Joint Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2015 in the Aggregate Principal Amount of \$_____ (the "Bonds"); Establishing Certain Details of the Bonds; Providing for the Payment of the Costs of Issuance of the Bonds; Approving Disclosure and Other Documents Relating to the Bonds; and Ratifying Action Previously Taken in Connection Therewith

WHEREAS, unless otherwise defined in Section 1 of this Pricing Resolution or the context requires otherwise, capitalized terms in the Pricing Resolution have the same meaning assigned to those terms in Section 1 of Ordinance No. O-15-2 (the "Bond Ordinance") adopted by the Board of

the Water Authority (the "Board") on February 25, 2015; and

WHEREAS, the Pricing Resolution is adopted pursuant to the Bond Ordinance in order to amend or supplement certain matters in the Bond Ordinance and to approve the terms, sale price, maximum interest rates and other matters with respect to the Bonds; and

WHEREAS, the Board has adopted the Bond Ordinance which authorized the issuance of the Bonds and provides for the adoption of a Pricing Resolution by the Board to approve terms and documents relating to the issuance, delivery, sale, and administration of the Bonds, and the Pricing Resolution is adopted by the Board for those purposes; and

WHEREAS, the Water Authority adopts this resolution pursuant to the authority granted to it in the Bond Legislation and the Act; and

WHEREAS, it is in the best interests of the Water Authority to sell the Bonds to the Purchaser upon the terms as set forth in the Bond Legislation and the Bond Purchase Agreement; and

WHEREAS, the Preliminary Official Statement, the proposed form of Official Statement, the form of Continuing Disclosure Undertaking, the form of the Escrow Agreement, and the Bond Purchase Agreement are on deposit with the Water Authority and are presented to the Board; and

WHEREAS, all required authorizations, consents and approvals of any governmental body, agency or authority in connection with the authorization, execution and delivery of the Bonds, which are required to have been obtained by the date on which the Confirming Resolution is adopted or which will be required to be obtained prior to the date of issuance of the Bonds have been or will have been obtained by such dates;

BE IT RESOLVED BY THE BOARD, THE GOVERNING BODY OF ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY:

SECTION 1. DEFINITIONS.

PURCHASER. J.P. Morgan Securities LLC, Robert W. Baird & Co., Incorporated, Stifel, Nicolaus & Company, Incorporated, and Piper Jaffray & Co., collectively, as the original purchasers of the Bonds.

BONDS. The Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2015, authorized by the Bond Legislation.

PRICING RESOLUTION. This resolution, being Water Authority Resolution No. F/S R-15-__.

REFUNDED OBLIGATIONS. Collectively, (i) the Public Project Revolving Fund Loan

Agreement (2007) maturing on and after May 1, 2018, (ii) the Series 2008A Bonds maturing on and after July 1, 2026, and (iii) the Series 2009 Bonds maturing on and after July 1, 2020.

SECTION 2. RATIFICATION OF PRIOR ACTIONS TOWARD ISSUANCE OF THE BONDS; ASSUMPTION OF PRIOR OBLIGATIONS. All action previously taken (not inconsistent with the provisions of the Bond Legislation) by the Board and the officers of the Water Authority, directed toward the authorization, pledge, collection, and distribution of the Net Revenues and the authorization, issuance and sale of the Bonds is ratified, approved, and confirmed.

SECTION 3. FINDINGS. The Board declares that it has considered all relevant information and data and makes the following findings:

A. The issuance of the Bonds in the principal amount of \$_____ plus a net premium of \$_____ under the Act will provide funds for (i) the advance refunding of the Public Project Revolving Fund Loan Agreement (2007) maturing on and after May 1, 2018, (ii) the advance refunding of the Series 2008A Bonds maturing on and after July 1, 2026, and (iii) the advance refunding of the Series 2009 Bonds maturing on and after July 1, 2020. (collectively, the "Refunded Obligations") (iv) acquiring additional System assets, extending, repairing, replacing and improving the Water Authority's System (the "Improvement Project"), and (v) the payment of Expenses, with proceeds of the Bonds and other money of the Water Authority legally available for the purpose (collectively, the "Project").

B. The Refunding Project and the Improvement Project are necessary and in the interest of the public health, safety, and welfare of the residents of the geographic area served by the Water Authority.

C. The interest rates set forth in Section 4, the net effective interest rate of _____% per annum, and the underwriters' discount of \$_____ for the sale of the Bonds are reasonable under existing and anticipated bond market conditions and are necessary and advisable for the marketing and sale of the Bonds.

D. The Water Authority will complete the Refunding Project and the Improvement Project with the proceeds of the Bonds together with other funds of the Water Authority, if any.

SECTION 4. DETAILS OF THE BONDS.

A. PRINCIPAL AMOUNT. The Bonds shall be issued in one series in the aggregate principal amount of \$_____, shall be designated the Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2015. The Bonds shall be issued to provide funds, together with other available funds of the Water Authority, if any, to finance the completion of the Refunding Project and

the Improvement Project and to pay Expenses relating to the issuance of the Series 2015 Bonds.

B. SERIES DATE; REGISTRATION. The Bonds shall be dated the date of issuance of the Bonds (the "Series Date"), and shall be issued in fully registered form only, without coupons, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, as registered owner of the Bonds, all as provided in the Bond Ordinance.

C. INTEREST PAYMENT DATE; INTEREST RATES; MATURITIES.

The Bonds shall bear interest payable on each Interest Payment Date, beginning on July 1, 2015, at the rates per annum, maturing in the years and amounts, set forth below:

<u>Principal Amount</u>	<u>Maturity (July 1)</u>	<u>Interest Rate</u>
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D. OPTIONAL REDEMPTION. The Bonds maturing on and after July 1, _____, shall be subject to redemption prior to their respective maturities, at the option of the Water Authority in any order of maturity as determined by the Water Authority in whole or in part at any time, on or after July 1, _____, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

SECTION 5. PARAMETERS OF ORDINANCE. The net effective interest rate on the Bonds is less than 12% per annum. The maturities of the Bonds allocated to the Refunding Project do not exceed the remaining useful life of the projects financed with the proceeds of the Refunded Obligations. The maturities of the Bonds allocated to the Improvement Project do not exceed the expected useful life of the Improvement Project. All other terms and conditions relating to the Bonds and the sale of the Bonds to the Purchaser as set forth in this Pricing Resolution and the Bond Purchase Agreement are within the parameters established by the Bond Ordinance.

SECTION 6. ACCOUNTS AND FUNDS. The Water Authority shall establish the Series 2015 Debt Service Account as a separate account of the Debt Service Fund and shall establish any other accounts required by the Bond Ordinance.

SECTION 7. SALE OF THE BONDS. The sale of the Bonds in a negotiated sale to the Purchaser for the principal amount of \$_____, plus a net premium of \$_____, less an underwriter's discount of \$_____, is approved.

SECTION 8. USE OF PROCEEDS; PROJECT COMPLETION; PURCHASER NOT RESPONSIBLE.

A. PROCEEDS AND OTHER FUNDS; APPROPRIATIONS.

(1) The Board, having been informed of and having considered all pertinent facts and circumstances, does hereby find and determine and declare that proceeds from the sale of the Bonds shall be appropriated and deposited as follows:

(a) \$_____ of proceeds of the Bonds will be deposited into the Expense Account to pay Expenses associated with the Bonds, with any amounts not expended within ninety (90) days to be deposited into the Series 2015 Debt Service Account.

(b) \$_____ of proceeds of the Bonds will be deposited in the Escrow Fund for the Refunded Obligations, and, together with interest earnings thereon, used, and is appropriated for the payment of the redemption price (including principal and accrued interest) of the Refunded Obligations pursuant to the Escrow Agreement.

(c) \$_____ of proceeds of the Bonds shall be used to pay, and is appropriated for the payment of the underwriters' discount.

(d) \$_____ of the proceeds of the Bonds shall be deposited to the Series 2015 Debt Service Account.

(e) \$_____ of the proceeds of the Bonds shall be deposited to the Acquisition Fund for the payment of the costs of the Improvement Project.

B. COMPLETION. As soon as practicable, and in any event not more than 60 days after the Completion Date of the Refunding Project, any balance remaining in the Escrow Fund shall be used by the Water Authority for the payment of the principal of or interest next coming due on the Bonds. The Completion Date for the Improvement Project shall be evidenced by a certificate signed by the Executive Director of the Water Authority or other Authorized Officer responsible for the System stating that the Improvement Project has been completed. As soon as practicable, and in any event not more than 60 days after the Completion Date of the Improvement Project, any balance remaining in the Acquisition Account (other than any amount retained by the Water Authority for costs of the Improvement Project not then due and payable) shall be used by the Water Authority for the payment of the principal of or interest next coming due on the Bonds.

C. PURCHASER NOT RESPONSIBLE. The Purchaser shall not be responsible for the application or use by the Water Authority of the proceeds of Bonds.

SECTION 9. PRIOR REDEMPTION AND NOTICE WITH RESPECT TO REFUNDED OBLIGATIONS; ESCROW AGENT; SUFFICIENCY OF ESCROW FUND; INVESTMENTS.

The Water Authority has elected and does hereby declare its intent to exercise on behalf and in the name of the Water Authority its option to redeem the Refunded Obligations at a redemption price equal to the principal amount of the Refunded Obligations to be redeemed plus accrued interest

to the respective dates of redemption. The Water Authority is hereby obligated to exercise such option, which option shall be deemed to have been exercised irrevocably upon delivery of the Bonds. Notices of optional redemption of the Refunded Obligations shall be mailed or delivered as provided by the Refunded Obligations and the Escrow Agreement.

The initial Escrow Agent shall be BOKF, N.A. dba Bank of Albuquerque. The Escrow Agent shall invest the monies on deposit in the Escrow Accounts only in Government Obligations as defined in the legislation authorizing the issuance of the Refunded Obligations. All such Government Obligations shall mature at such times as provided in the Escrow Agreement.

SECTION 10. APPROVAL AND USE OF DOCUMENTS. The forms, terms, and provisions of the Preliminary Official Statement, the proposed form of the Official Statement, the Bond Purchase Agreement, the form of the Escrow Agreement, and the form of Continuing Disclosure Undertaking on file with the Water Authority and presented to the Board are ratified and approved. The Chair of the Water Authority or the Executive Director are hereby authorized to execute such documents. The use by the Purchaser, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement and the Official Statement (with terms which are not inconsistent with the Bond Legislation) is ratified and approved.

SECTION 11. PRICING RESOLUTION IRREPEALABLE. After any Bonds are issued, this Pricing Resolution shall be and remain irrevocable until the principal of and interest on the Bonds are fully paid and the Bonds are cancelled or there has been defeasance of the Bonds as provided in the Bond Legislation.

SECTION 12. REPEALER CLAUSE. All bylaws, orders, and resolutions, or parts thereof, inconsistent with the Pricing Resolution are repealed to the extent of such inconsistency. This repealer shall not be construed to revive any bylaw, order, or resolution, or part thereof, previously repealed.

SECTION 13. SEVERABILITY. If any section, paragraph, clause or provision of the Pricing 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 the Pricing Resolution.

SECTION 14. EFFECTIVE DATE. The Pricing Resolution shall be in full force and effect immediately upon adoption.

SECTION 15. PUBLICATION OF NOTICE OF ADOPTION. Pursuant to the general laws of the State, the title and general summary of the subject matter contained in the Pricing Resolution shall be published in substantially the following form:

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 18th day of March, 2015, adopt a resolution entitled:

APPROVING THE SALE OF ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY (THE "WATER AUTHORITY") SENIOR LIEN JOINT WATER AND SEWER SYSTEM REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2015 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "BONDS"); ESTABLISHING CERTAIN DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE COSTS OF ISSUANCE OF THE BONDS; APPROVING DISCLOSURE AND OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

The Pricing Resolution authorizes the issuance of the Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2015, in the aggregate principal amount of \$_____ (the "Bonds") to J.P. Morgan Securities LLC, Robert W. Baird & Co., Incorporated, Stifel, Nicolaus & Company, Incorporated and Piper Jaffray & Co.; establishes the interest rates and maturity schedules for the Bonds; makes certain appropriations of the proceeds of the Bonds; and provides other details concerning the Bonds. Complete copies of the Pricing Resolution are available for public inspection during normal and regular business hours at the offices of the Water Authority, One Civic Plaza, NW, Albuquerque, New Mexico.

Dated this 18th day of August, 2015.

PASSED AND ADOPTED THIS 18TH DAY OF MARCH, 2015. BY A VOTE OF _____ FOR AND _____ AGAINST.

CHAIR

ATTEST:

SECRETARY