

OFFICIAL NOTICE OF BOND SALE

\$12,500,000
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY
GENERAL OBLIGATION BONDS
SERIES 2019

PUBLIC NOTICE IS HEREBY GIVEN that the Board of Directors of the Albuquerque Metropolitan Arroyo Flood Control Authority (the “Board” and the “Authority,” respectively), will receive and publicly open sealed or electronic transmission (at the option of the bidder) bids at the offices of the Authority, 2600 Prospect Avenue, N.E., Albuquerque, New Mexico, at the hour of 11:00 a.m., prevailing Mountain Time, on the 23rd day of May, 2019, for the purchase of Albuquerque Metropolitan Arroyo Flood Control Authority General Obligation Bonds, Series 2019 (the “Bonds”). If submitted electronically, bids must be submitted via BIDCOMP/PARITY BIDDING SYSTEM (“i-Deal” f/k/a “Dalcomp” or the “Qualified Electronic Bid Provider”) as further provided herein. The Board will meet in regular session starting at 10:00 a.m., on May 23, 2019 at 2600 Prospect Avenue, N.E., Albuquerque, New Mexico, to take action, after bids are received, to award the Bonds.

The Bonds will be issued in the aggregate amount of \$12,500,000, in denominations of \$5,000 or any integral multiple thereof, will be dated the date of their delivery, and will be payable to the registered owner thereof as of the record date at his address as it appears on the registration books initially kept by the Authority, as registrar and paying agent for the Bonds (the “Registrar/Paying Agent”). The Bonds will be issued in book-entry only form through the facilities of the Depository Trust Company, New York, New York. The Bonds will be issued in one series, will be numbered consecutively from one upwards as requested by the purchaser and will mature in regular order of maturity on August 1 of each year and in the amounts as follows:

\$12,500,000
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY
GENERAL OBLIGATION BONDS
SERIES 2019

Year Maturing (<u>August 1</u>)	<u>Amount Maturing</u>
2019	\$2,045,000
2020	800,000
2021	200,000
2022	1,300,000
2023	1,500,000
2024	1,270,000
2025	1,385,000
2026	1,315,000
2027	1,385,000
2028	1,300,000

The Bonds maturing on and after August 1, 2027 are subject to redemption prior to maturity, in whole or in part, at any time on or after August 1, 2026, at par value.

Interest shall be bid in multiples of 1/20th or 1/8th percentum and only one interest rate may be bid for each maturity of the Bonds. A zero interest rate may not be specified and the rate of interest on any bond may not exceed the rate of interest on any other bond by more than two percent (2%) per annum. The maximum interest rate on the Bonds shall not exceed ten percent (10%) per annum and the maximum net effective interest rate shall not exceed ten percent (10%) per annum.

Interest on the Bonds shall be evidenced until maturity by only one interest rate per maturity, the first of which shall be payable August 1, 2019 and thereafter on each August 1 and February 1 until maturity. It is permissible to bid a different rate of interest for each different maturity of the Bonds, but no bid shall specify more than one interest rate for each maturity of

Bonds. Except as limited above, there is no limit on the number of different interest rates that may be bid on the Bonds.

Only unconditional bids will be considered. Not later than 2:30 p.m. (prevailing Mountain Time) on May 23, 2019, the successful bidder must send an electronic wire transfer to such account as the Authority and/or Municipal Advisor shall specify in immediately available funds a good faith deposit in an amount equal to 2% of the principal amount of the Bonds (\$250,000). If such wire transfer is not received from the successful bidder by 2:30 p.m. (prevailing Mountain Time), on May 23, 2019, the next best bidder may be awarded the Bonds. No interest on the deposit will accrue to the successful bidder. The deposit will be applied to the purchase price of the Bonds.

The Authority reserves the right, after receipt of bids, to adjust the principal amount and maturity schedule for the Bonds by increasing or decreasing the principal amount of one or more maturities, no later than two (2) hours following receipt of bids to establish and maintain the desired property tax mill levy rate for repayment of the Bonds; notice of any adjustment will be given promptly to the successful bidder and any adjustment will be done in a “spread neutral” manner.

The Board will take action on the Bonds by awarding the Bonds, or rejecting all bids on the Bonds, not later than twenty-four (24) hours after the expiration of the time herein prescribed for the receipt of the bids. If the successful bidder or bidders shall fail or neglect to complete the purchase of the Bonds within 30 days following the acceptance of its bid, or within 10 days after the Bonds are made ready and are offered for delivery, whichever is later, the amount of the good faith deposit relating to the Bonds shall be forfeited to the Authority, and in that event the Board may accept the bid of the one making the next best bid for the Bonds should such bidder elect to purchase the Bonds on that basis. Delivery of the Bonds will be made to the successful bidder or

bidders through the facilities of the Depository Trust Company in New York, New York, on or about June 27, 2019, at the expense of the Authority or elsewhere with the consent of the Authority and at the request and expense of the purchaser; PROVIDED, HOWEVER, that if, for any reason, delivery of the Bonds cannot be made within 60 days after opening of bids, the successful bidder shall have the right to purchase the Bonds during the next succeeding 30 days upon the same terms, or at the request of the successful bidder, during the next succeeding 30 days, the good faith deposit will be returned and such bidder shall be relieved of any further obligation.

All bids shall specify: (a) the lowest rate of interest and the amount of the premium, if any, at and for which the bidder will purchase the Bonds, or (b) the lowest rate of interest at which the bidder will purchase the Bonds at par. The Bonds will not be sold for less than par and no discount or commission will be allowed or paid on the sale of the Bonds. No premium may be bid in an amount that exceeds 8% of the total principal amount of the Bonds. Any bid which specifies split interest rates will not be considered. The right is reserved to waive irregularities in bids except that no bid shall be considered which is received after the time herein prescribed for the opening of bids. Proposals may be submitted either electronically or by sealed bid. Proposals which are not submitted electronically should be enclosed in a sealed envelope marked on the outside "Proposal for Purchase of Albuquerque Metropolitan Arroyo Flood Control Authority General Obligation Bonds, Series 2019," and addressed to the Board of Directors of the Albuquerque Metropolitan Arroyo Flood Control Authority, 2600 Prospect Avenue, N.E., Albuquerque, New Mexico 87107.

Any electronic bids shall be submitted via i-Deal/Parity no later than the time designated herein for the receipt of bids. During the electronic bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (i.e., whether their bid is a leading bid). Bidders

may change or withdraw their bids at any time up to the time herein designated for receipt of bids. Electronic bids may only be submitted through the Qualified Electronic Bid Provider. If any provisions in this Official Notice of Bond Sale conflict with information or terms provided or required by the Qualified Electronic Bid Provider, this Official Notice of Bond Sale (and any amendments hereto) shall control. Each bidder who bids electronically shall be solely responsible for making necessary arrangements to access the Qualified Electronic Bid Provider for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the Authority nor the Qualified Electronic Bid Provider shall have any duty or obligations to provide or assure such access to any bidder, and neither the Authority nor the Qualified Electronic Bid Provider shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, use of the Qualified Electronic Bid Provider. The Authority is using the Qualified Electronic Bid Provider as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Bonds.

Further information about the Qualified Electronic Bid Provider, including any fees charged, may be obtained from i-Deal/Parity, 1359 Broadway, 2nd Floor, New York, NY 10018, Phone (212)849-5021 Fax (212)404-8153.

The Authority will apply and pay for a Moody's Investor's Service, Inc., rating and a Standard & Poor's rating on the Bonds.

The best bid for the Bonds will be determined by deducting the amount of the premium bid, if any, from the total amount of interest which the Authority would be required to pay from the date of the Bonds to their maturity dates at the interest rate or rates specified in the bid and the Bonds will be awarded on the basis of the lowest true interest cost to the Authority, which shall

mean that rate which, as of the date of the Bonds, discounts semi-annually all future payments on account of principal and interest on the Bonds to the price bid.

The Bonds will be awarded to the best bidder considering the interest rate or rates specified and the premium offered, if any, and subject to the right of the Board to reject all bids. If there are two or more equal bids at not less than par which are the best bids received, the Board shall determine which bid is to be accepted.

Upon delivery, the good faith deposit of the successful bidder (without accrued interest) will be credited against the purchase price and the balance shall be paid in federal funds. The applicable CUSIP numbers will be printed on the Bonds; provided that an incorrect CUSIP number printed on any Bond or the absence of any CUSIP number on any Bond shall not constitute cause to refuse delivery of the Bonds.

The Bonds will constitute general obligation debt of the Authority, and shall be payable from general ad valorem taxes which may be levied against all taxable property within the Authority.

In order to assist the purchaser in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), at the time of delivery of the Bonds, the Authority will undertake, pursuant to a written agreement, to provide annual financial information and notices of certain material events.

The Authority will prepare a Preliminary Official Statement relating to the Bonds which will be deemed by the Authority to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities Exchange Commission (the "Rule"), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement as defined below. The Authority will prepare a final Official Statement ("Final Official Statement") as soon as practicable

after the date of award to the successful bidder. The Authority will provide to the successful bidder 50 copies of the Final Official Statement on or before seven business days following the date of the award to the successful bidder. The Final Official Statement will be dated as of the date of the award of the Bonds to the successful bidder and will be final as of that date. At the time of closing, the Authority will certify that the Final Official Statement does not contain any untrue statement of material facts and does not omit any material facts required to be stated or necessary to make the statements in the Official Statement not misleading. The Authority authorizes the successful bidder to distribute the Final Official Statement in connection with the offering of the Bonds.

The winning bidder shall assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at closing an “issue price” or similar certificate, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Authority and Bond Counsel. All actions to be taken by the Authority to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority’s municipal advisor identified herein and any notice or report to be provided to the Authority may be provided to the Authority’s municipal advisor.

(a) The Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (i) the Authority shall disseminate a Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;

(iii) the Authority may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(iv) the Authority anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements described above in subparagraph (a) are not satisfied, the Authority shall so advise the winning bidder. The Authority may determine to treat (i) the first price at which 10% of each maturity of the Bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Authority if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Authority shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule during the Holding Period, as defined in subparagraph (c)(ii) below. Bids will not be subject to cancellation in the event that the Authority determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

(b) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid

submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the Holding Period, as defined in subparagraph (c)(ii) below.

(c) The following terms are defined below:

(i) Hold-the-Offering-Price Maturity means a maturity of the Bonds of which less than 10% has been sold to the Public on the Sale Date.

(ii) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date, or (b) the date on which the winning bidder sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Holding-the-Offering-Price Maturity.

(iii) Maturity means Bonds with the same credit and payment terms. Bond with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iv) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(v) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is expected to be May 23, 2019.

(vi) Underwriter means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the to the Public).

The validity and legality of the Bonds will be approved by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, whose approving opinion, together with the printed Bonds and a complete transcript of the legal proceedings, including a certificate stating that no litigation affecting the validity of the Bonds is pending, will be furnished to the purchaser without charge. Bond Counsel will also provide an opinion substantially in the form included in the Preliminary Official Statement to the effect that, under existing law, the interest on the Bonds (i) is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals, and (ii) is exempt from State of New Mexico income taxation.

The Bonds are not “qualified tax-exempt obligations” for purposes of Section 265 (b)(3) of the Code.

The purchaser of the Bonds, by submitting its bid, agrees to provide a certificate including information as to bona fide initial offering prices to the public and sales of the Bonds and a certified determination of yield on the Bonds under the Code, as and at the time requested by the Financial Advisor and Bond Counsel.

DATED at Albuquerque, New Mexico, this 25th day of April, 2019.

ALBUQUERQUE METROPOLITAN
ARROYO FLOOD CONTROL
AUTHORITY

[SEAL]

By _____
Ronald D. Brown, Chair

ATTEST:

By _____
Deborah L. Stover, Secretary - Treasurer