

## Council Meeting Staff Report

June 8, 2021

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<b>Agenda No.:</b>	A.
<b>Indexes (Council Goals):</b>	* 2021 Council Goal - N/A
<b>Presenters:</b>	Bob Westervelt
<b>Legislative File:</b>	OR0894-21

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### Title

Introduction of Incorporated County of Los Alamos Code Ordinance No. 707, An Ordinance to Authorize the Refinance and Re-issuance of Amended Loan and Promissory Note Agreements with the New Mexico Environment Department to Reflect a Lowered Interest Rate.

### Recommended Action

**I introduce, without prejudice, Incorporated County of Los Alamos Code Ordinance No. 707, An Ordinance to Authorize the Refinance and Re-issuance of Amended Loan and Promissory Note Agreements with the New Mexico Environment Department to Reflect a Lowered Interest rate, and ask the staff to assure that it is published as provided in the County Charter.**

### Staff Recommendation

The Board of Public Utilities and Staff recommend the motion be approved as presented

### Body

On August 28, 2018, Council adopted Ordinance No. 683 authorizing the refinance of the Los Alamos Wastewater Treatment Plant loan to extend the term and to lower the total rate paid for interest and administrative fees to 2.375% per annum, and on November 5, 2018, the loan was refinanced in accordance with a Refinance Loan Agreement and Promissory Note thus authorized.

Recently NMED contacted the Department of Public Utilities staff and advised of another reduction in the available finance rate to 1% including finance charges and administrative fees and NMED proposed that County could again refinance the remainder of the Loan at that lower rate; which will lower the Loan's annual payment by \$47,250.31 and will improve overall cash flow for the utility, saving a total of \$541,830.35 over the remaining term of the loan.

This ordinance authorizes that refinancing.

### Alternatives

The Department could elect to not refinance and continue paying in accordance with the current loan agreement and promissory note.

### Fiscal and Staff Impact

The net effect of this refinance is to lower the annual payments from \$507,403.58 to \$460,153.27, an annual reduction in debt service of \$47,250.31. for a total reduction of \$661,504.34 over the remaining life of the loan. There is a 2% refinance fee which amounts to \$119,673.93 and a rounding difference of \$0.06, for net total savings of \$541,830.35.

### Attachments

A - Incorporated County of Los Alamos Ordinance No. 707 with attachments