Technical
Customer Advisory Committee

AGENDA

Members

Elias Archuleta	Donald T. Lopez
Mark Begay	Anjali Mulchandani
John Fleck	Jill Peterson
Brian Freeman	Mario Nuño-Whelan
Kerry J. Howe	

Public participation for this meeting will be via WebEx video conference. To request login information for this meeting or to submit public comment, contact Jordan Salas at jsalas@abcwua.org or 505-289-3100. Requests for login information and public comment must be submitted before 2:00 PM the date of the meeting.

Thursday, April 3, 2025	**4:00 PM**	**1441 Mission Ave NE Conference Room 204**

1. Call to Order
2. Approval of Agenda
3. Approval of March 6, 2025, Action Summary
4. Public Comment
5. FY26 Operating/Capital Budgets
6. Summer Conservation Planning
7. 2025 Annual Operating Plan
8. Water Report
9. Other Business
10. Adjournment

NOTICE TO PERSONS WITH DISABILITIES: If you have a disability and require special assistance to participate in this meeting, please contact the Water Utility Authority Office, Suite 5012, Albuquerque/Bernalillo County Government Center, phone 289-3100, as soon as possible prior to the meeting date.

Proposed Budget

for Fiscal Year 2026

Operating & Capital Improvement Program

July 1, 2025-June 30, 2026

What is a Budget?

- **Public Budgeting Fundamentals**
- **Defines a performance and spending plans for the fiscal year (Jul 1 – Jun 30)**
- **Capital Improvement Program (CIP) Decade Plan – a spending plan of capital needs for multiple fiscal years**
- **A balanced budget is recurring revenues that equal or exceed recurring expenses**

Why is a budget needed?

- **Legally Required -**
  - **Required in accordance with NM State Statutes and Water Authority Policies and Procedures**
- **Operational Guide -**
  - **Defines how the Water Authority is wanting to perform and operate for the fiscal year**
- **A Policy Document -**
  - **Defines funding to achieve the goals and objectives as well as performance indicators**
- **Ratepayers -**
  - **Demonstrates the Water Authority's performance and spending plans**

What is governmental fund accounting and why is it used?

- Fund accounting is used for control purposes that are unique to the government environment. The Water Authority is legally required to set up funds for certain transactions.

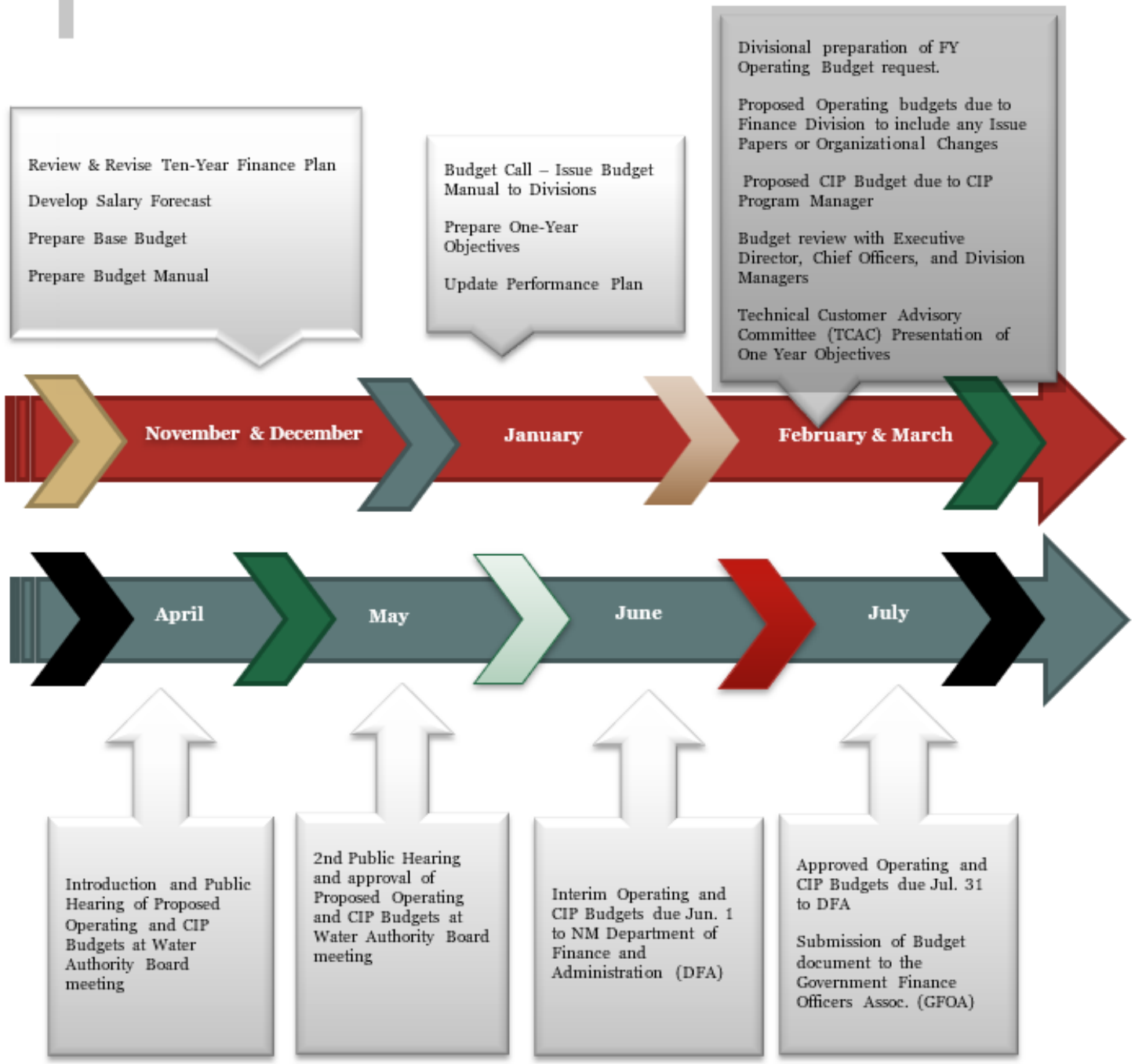
- Fund accounting is used to ensure the proper segregation of resources and to maintain proper accountability.

- The Water Authority also has funds, sub-funds, or subaccounts for internal control and financial reporting purposes.

Water Authority Fund Overview

- General Fund-
  - Accounts for operational basic services of the Water Authority
    - Main Revenue Source: Rates
- Debt Service Fund-
  - Accounts for annual principal and interest payments on debt obligations
    - Main Revenue Source: Rates (Transfer from General Fund)
- San Juan Chama Project Contractors Assn Fund-
  - Water Authority is fiscal agent for the association
    - Revenue Source: Dues and special assessments from members
- Capital Funds -
  - Account for acquisition, construction, or improvement of major capital facilities and improvements
    - Three Capital Project Funds:
      - Rehab Projects Fund
      - Growth Projects Fund
      - Water 2120 Projects Fund
    - Main Revenue Source: Rates (Transfer from General Fund), Bond or Loan proceeds, Grants, Utility Expansion Charges (UEC), and Water Resource Charges (WRC)

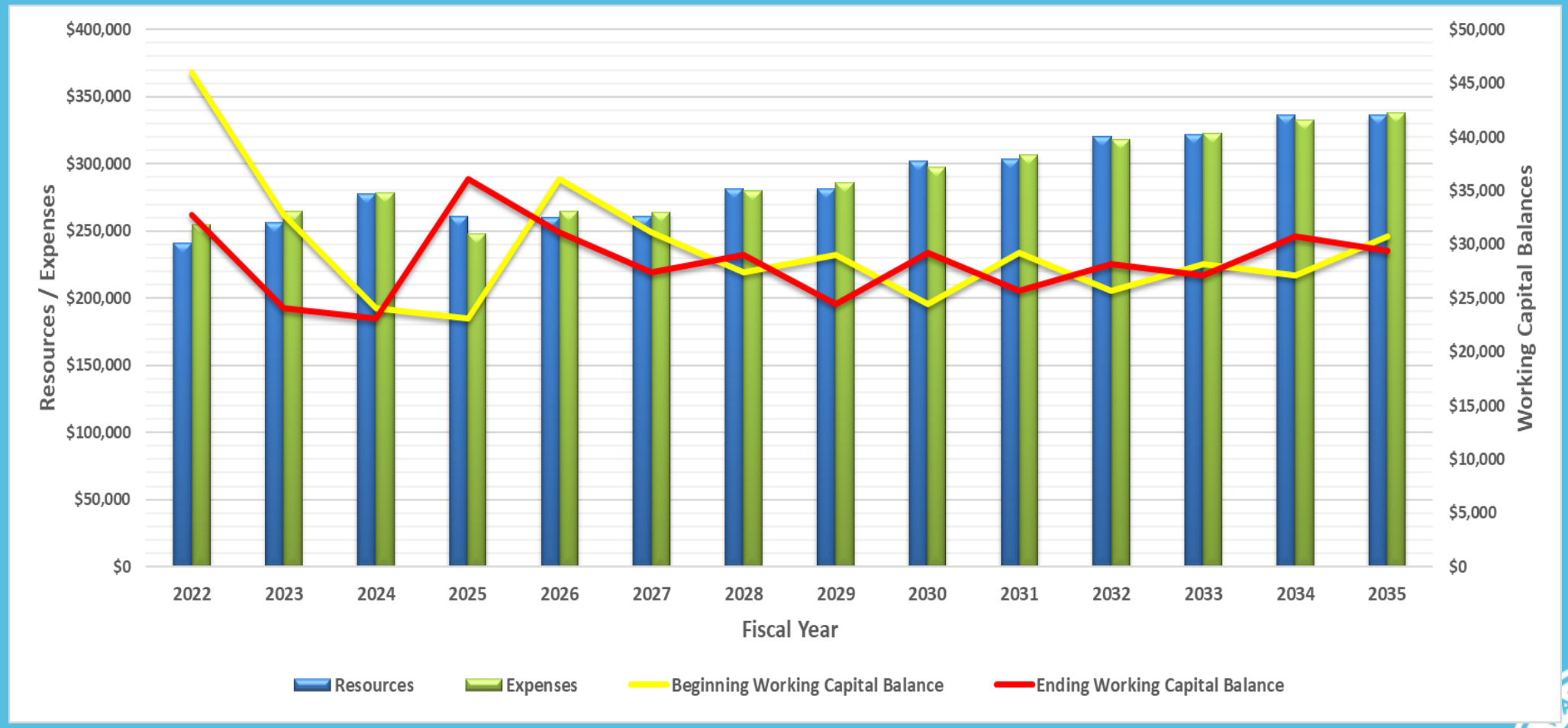
Budget Planning & Processes



FY26 Budget Assumptions

- Revenues in Water and Sewer are sufficient to cover operating expenses for 2026
  - Fund for Capital projects
  - Recover operational costs of service
  - Fund debt service principal/interest payments
  - Stabilize fund reserves
- Nominal growth in service area
- 3% cost of living increase
- Increase in fringe benefit premiums
- No increase in operational costs
  - Efficiencies
  - Business processes
- Increase Capital project funding
  - Repairs for aging infrastructure

FY26 General Fund Finance Plan

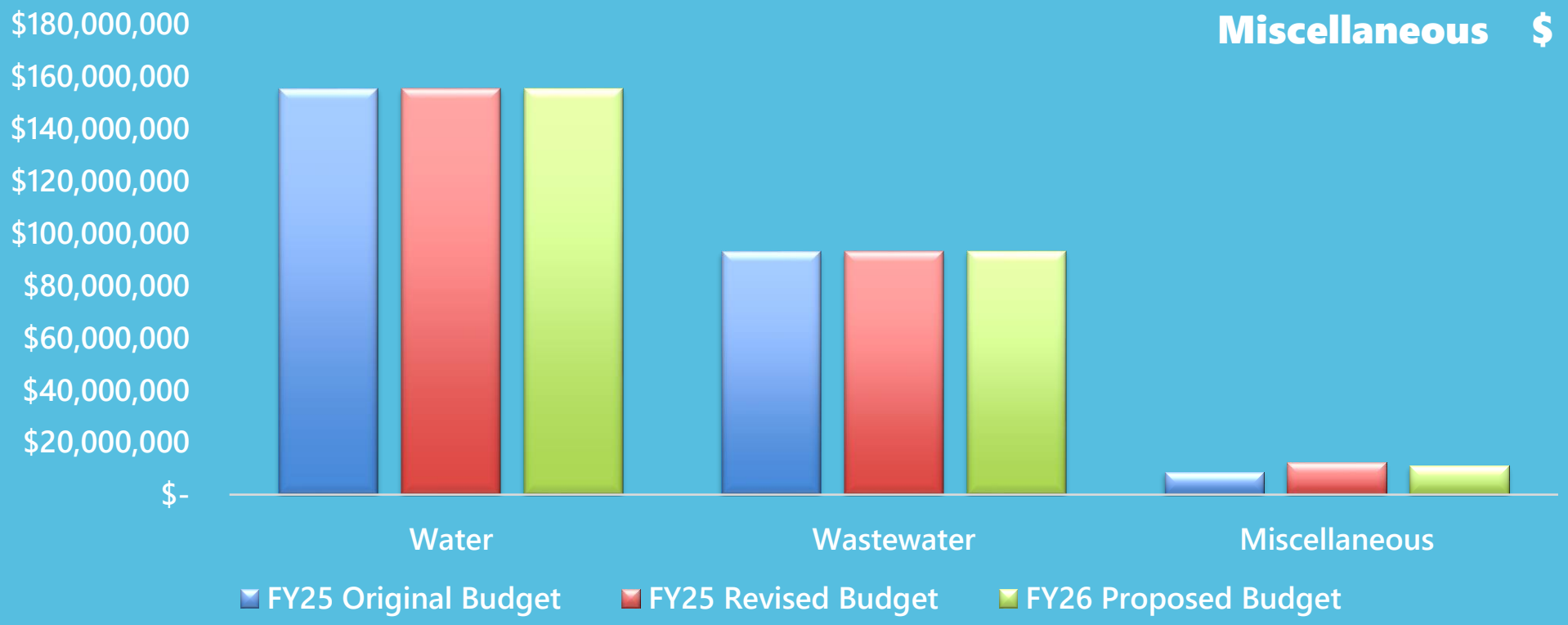


FY26 Performance/Budget Highlights

- ❑ Update Water 2120
- ❑ Colorado River MOU
  - Develop plan to reduce nonfunctional turf by 30%
  - Collaboration with compact members
- ❑ Lead/Copper EPA Rule Service Line Inventory
- ❑ Update Comprehensive Asset Management Plan
- ❑ Expansion of low-income programs
  - Outreach to customers
  - Collaboration with government agencies
- ❑ Update EPA Effective Utility Management program
- ❑ Develop an employee volunteer program
- ❑ Enhance safety inspection programs

FY26 General Fund Revenue

Water	**$155,642,000**
Wastewater	**$ 93,172,000**
Miscellaneous	**$ 11,033,000**



FY26 General Fund Expense

Transfer to DS	**$78,530,000**
Wages/Benefits	**$76,557,086**
Operating Exp	**$74,184,934**
Transfer to CIP	**$31,402,000**
Risk	**$ 3,449,344**
Workers Comp	**$ 707,000**

Water Authority Operating Future Challenges

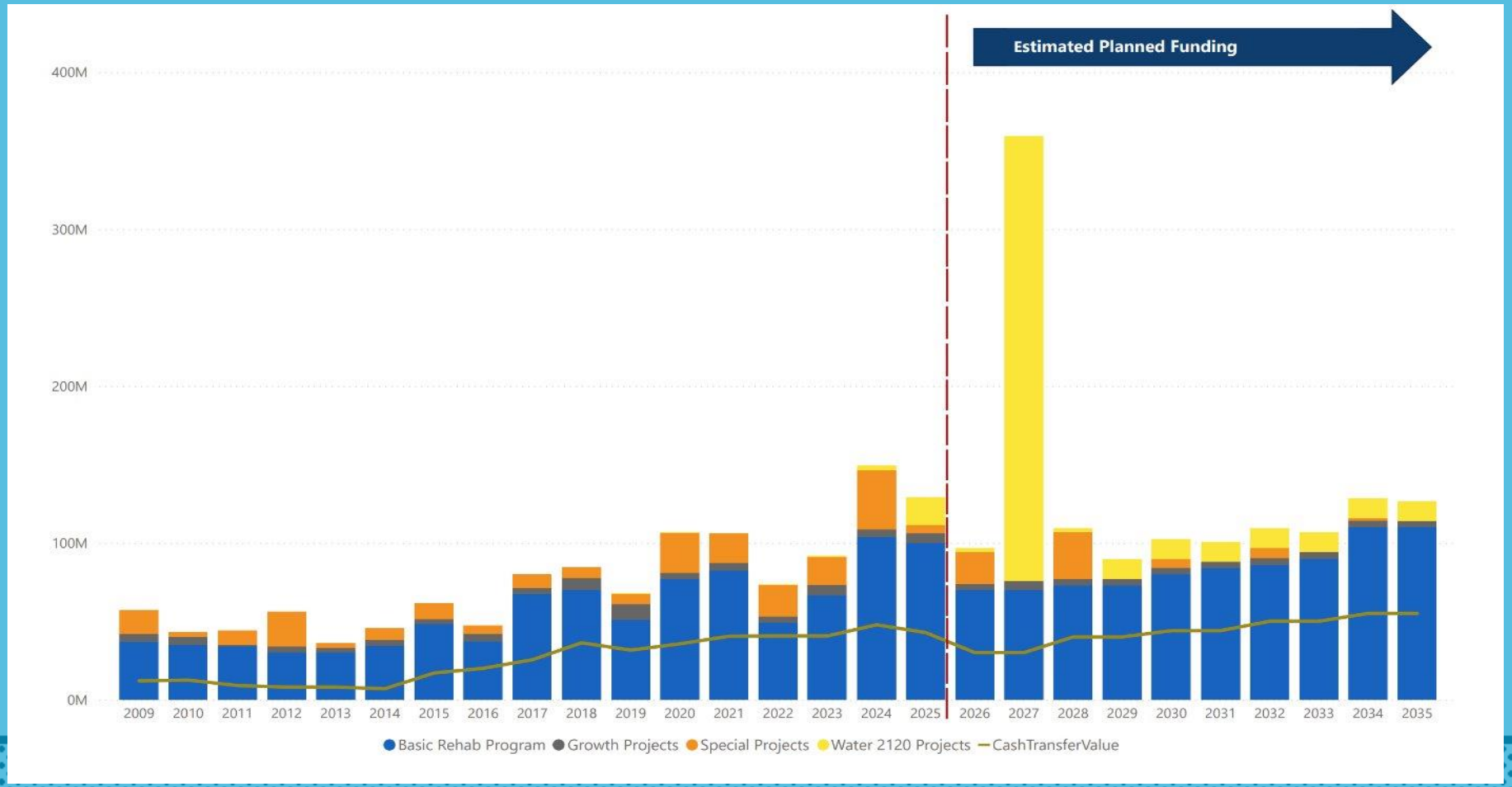
- ❑ Increased Conservation
- ❑ Reduce system water loss
- ❑ Increasing operational costs of services to include:
  - Chemicals
  - Utilities (Electricity, Gas, etc.)
  - Equipment Repairs and Maintenance
  - IT Software Maintenance

FY26 Capital Improvement Program

- Total $96.4 million CIP include:
  - $70.0 million for the Basic Rehab Program to include but not limited to:
    - $10.7 million for drinking water pipelines
    - $12.3 million for Southside Water Reclamation Plant
    - $14.9 million for Groundwater Plant Renewal
  - $4.0 million for Growth projects to include:
    - Information technology upgrades
    - Development reimbursement agreements
    - Update to Integrated Master Plan
    - Low Income Water and Sewer connections (Pipe Program)
  - $20.0 million for Special Projects to include:
    - Building Project - SWRP OPs, Warehouse, SAF, Etc.
    - Steel waterline and AMI infrastructure (moved to from Special Projects to DW Pipeline Renewal)
    - Renewable energy projects (moved from Special Projects to Shared Renewal Rehab decade line)
  - $2.5 million for Water 2120 projects to include:
    - Aquifer Storage and Recovery Well (ASR) Design & Construction
    - Water 2120 plan update
    - Reuse Irrigation Connections

FY26 Capital Improvement Program

Decade Plan Outlook

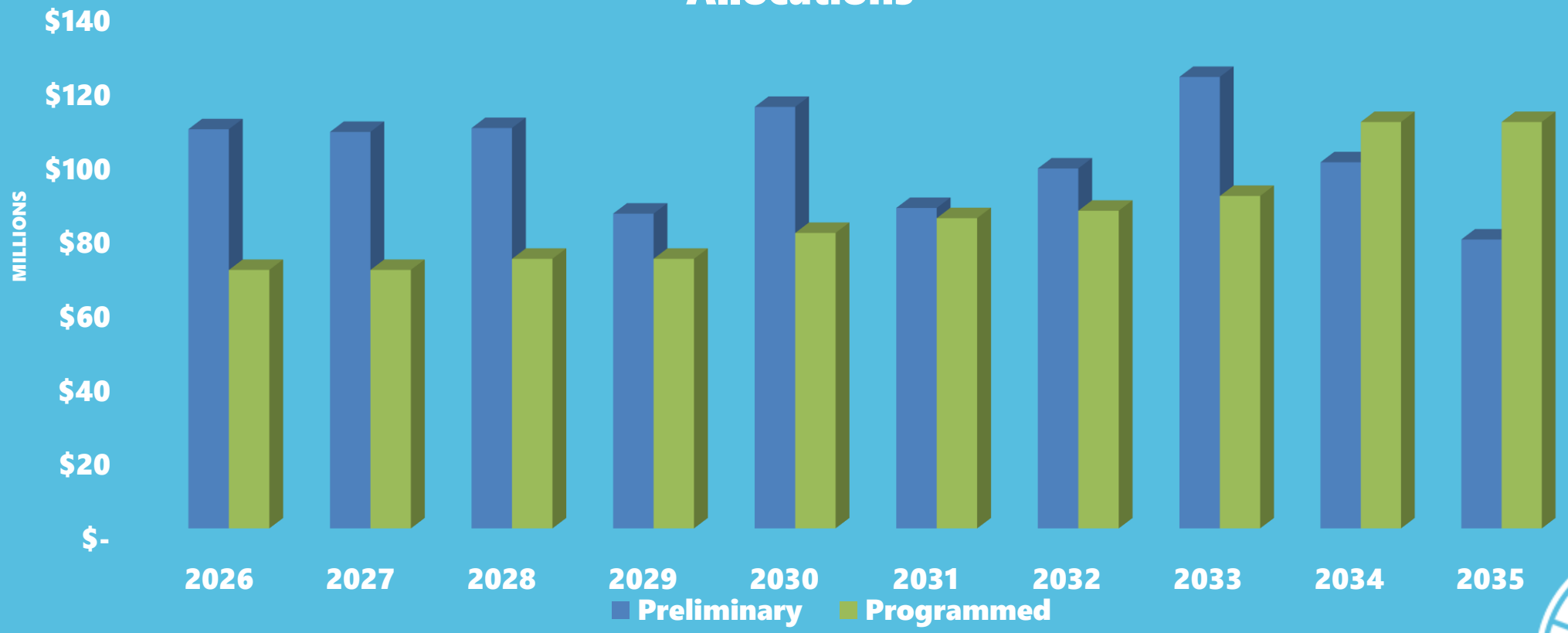


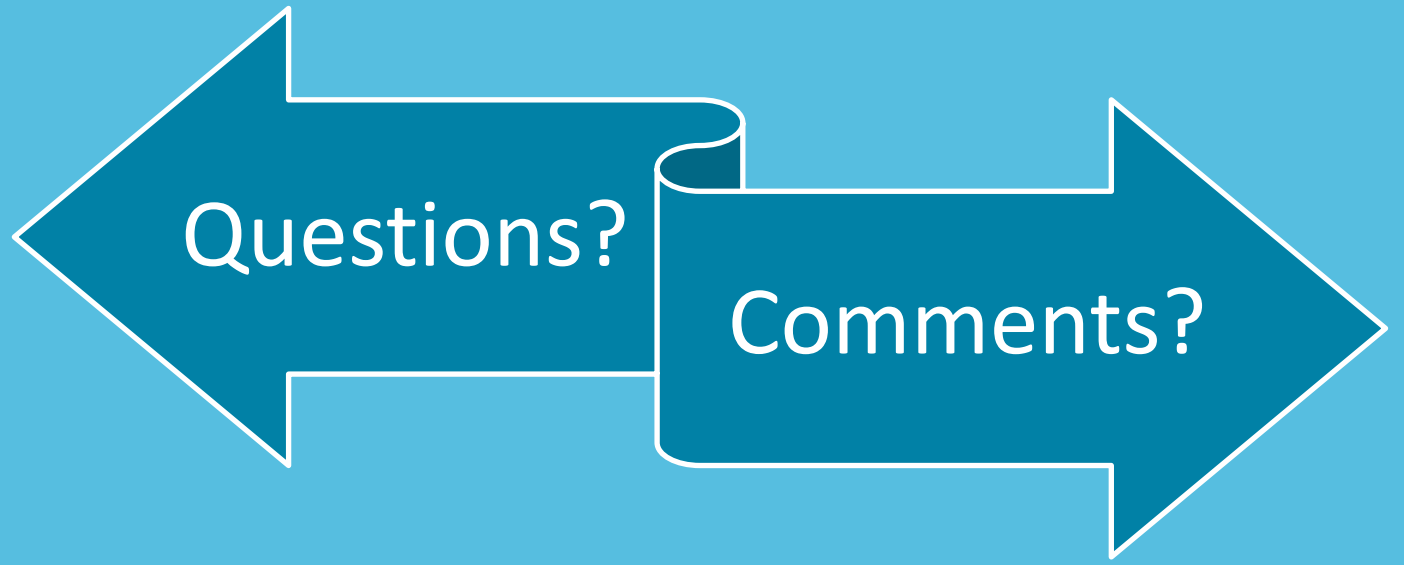
Future Capital Challenges
Needs vs. Resources Gap

- Ongoing project cost escalations driven by external economic factors – Water and Wastewater costs outpacing inflation - 115% compared to 49% since 2010 (Producer Price Index (PPI))
- Capital project initial requests totaled over $1 billion for rehab projects alone (only able to program $846 million towards Decade Plan Rehab)
- Rehab funding gap between $16 million and $17 million per year over the next 3 years – Average of almost $9 million per year over 10 years
- Invest in aging Water and Sewer infrastructure
- Funding for the Westside Water Reuse - Bosque Water Reclamation Facility (Bosque WRF) Project

Capital Rehabilitation Needs/Resources Gap

Rehabilitation Program Annual Funding Gap - Preliminary Requests (Based on Actual Priorities) vs. Programmed Allocations




Questions?
Comments?

Water Conservation Program

Spring/Summer Conservation and Drought Messaging

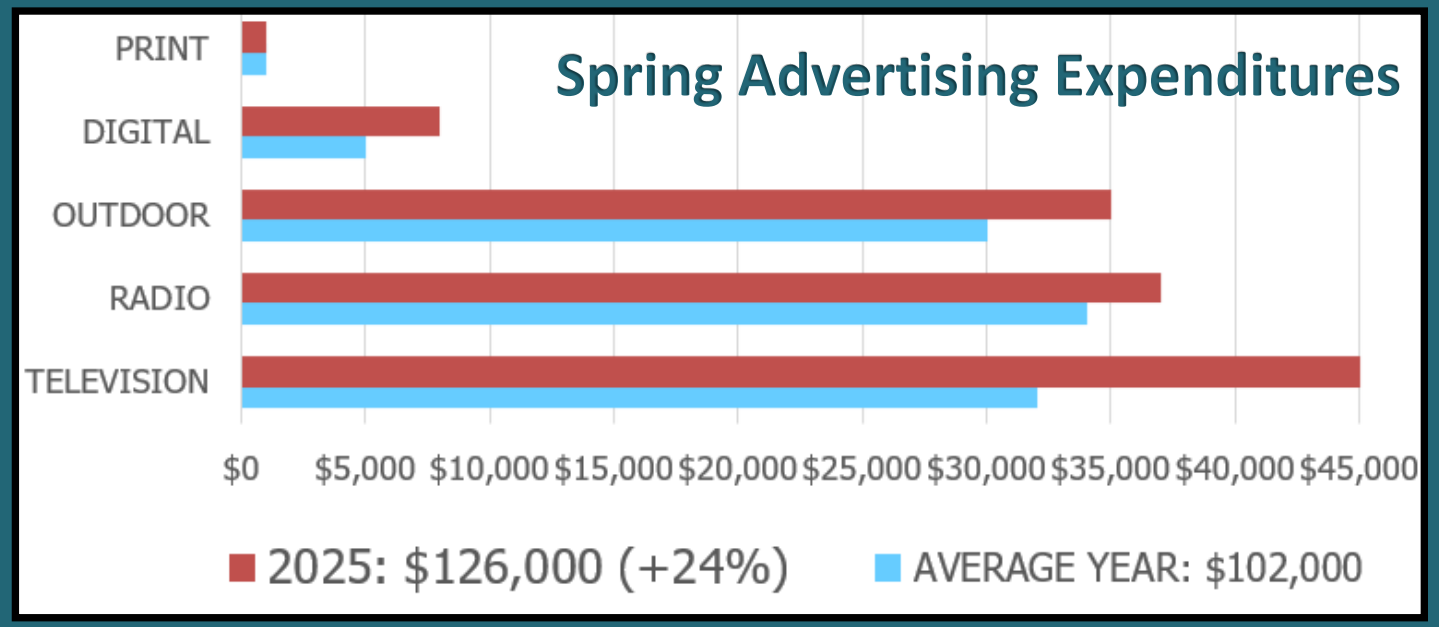
Drought Focused Conservation Messaging

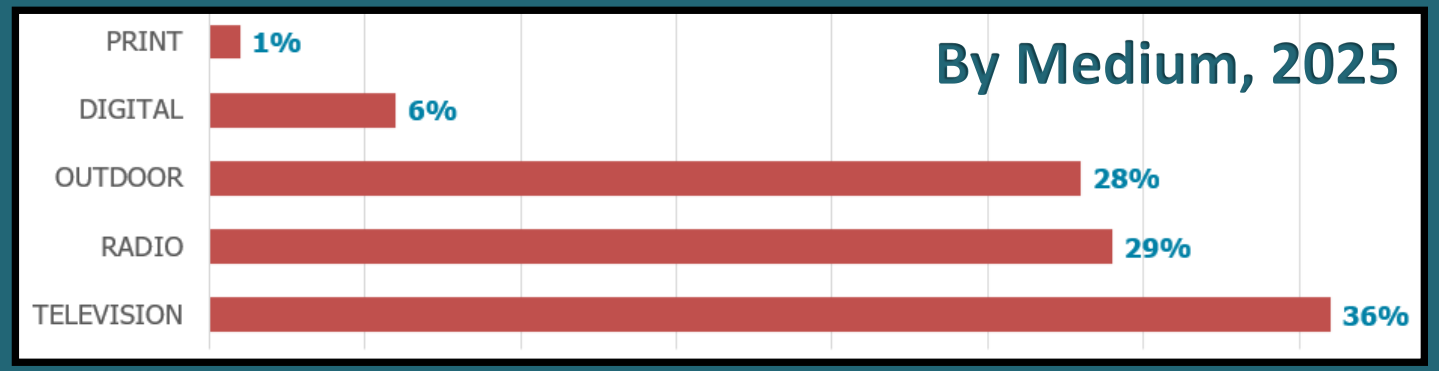
- Anticipating further dry conditions within service area
- Increased spending on Promotions and advertising
- Series of water conservation webinars
- Promote seasonal watering guidelines
- Efficient irrigation equipment and Treebates
- Lawn to xeriscape transformation – increased rebate amount
- Data Driven water waste, and time of day restrictions enforcement

Weather the Drought Campaign

Anticipating continued dry conditions including early river drying - preemptively starting drought stage 0 water conservation efforts:

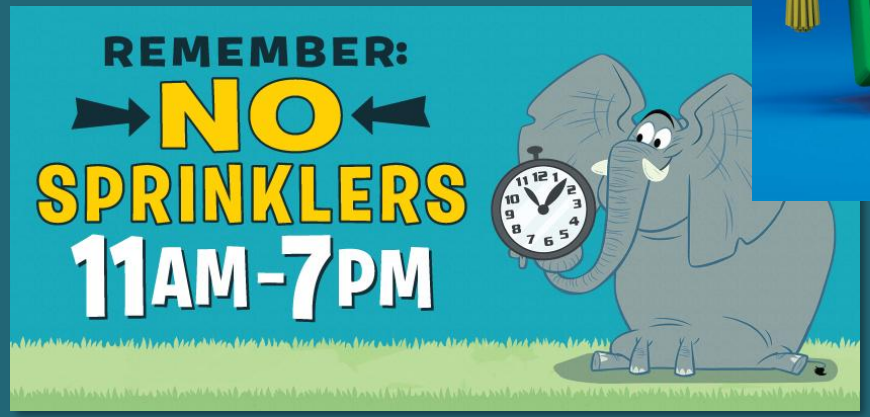
- Increasing public outreach including Duration, quantity, frequency and reach, and budget
- Promotional materials that include drought enhancements focused on drought reminders
- Increase public outreach that emphasizes education and voluntary conservation through a series of bi-monthly webinars - customers receive a $20 rebate





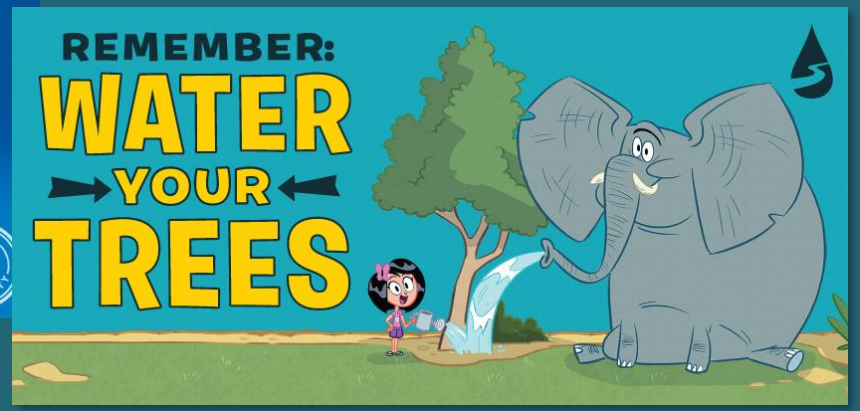
Spring/Summer 2025 Conservation Messaging

TIME OF DAY REMINDER



SMART CONTROLLER REBATE

TREE CARE



RAIN REMINDER

WATER WASTE

Lawn to xeriscape transformation rebate promotion

- Lawn to xeriscape transformation rebate – 33% increase
- Upcoming 500-word column featured in local weekly newspapers and online publications describing the lawn to xeriscape rebate which details the qualifications, requirements and process
- 505Outside monthly newsletter article promoting the rebate, how to take advantage of it, and numerous free resources such as landscape design templates.

Data Driven Approach to Enforcement and Outreach

- Sending letters to customers that appear from AMI data to be watering with sprinklers within the restricted
- Pursuing a data driven approach for following up on water waste complaints and patrols – focused on excessive users and problematic trunk lines
- Goal of sending 1,000 letters and emails per month to residential customers that are within the top 5% of water users

Questions?

2025 Annual Operating Plan

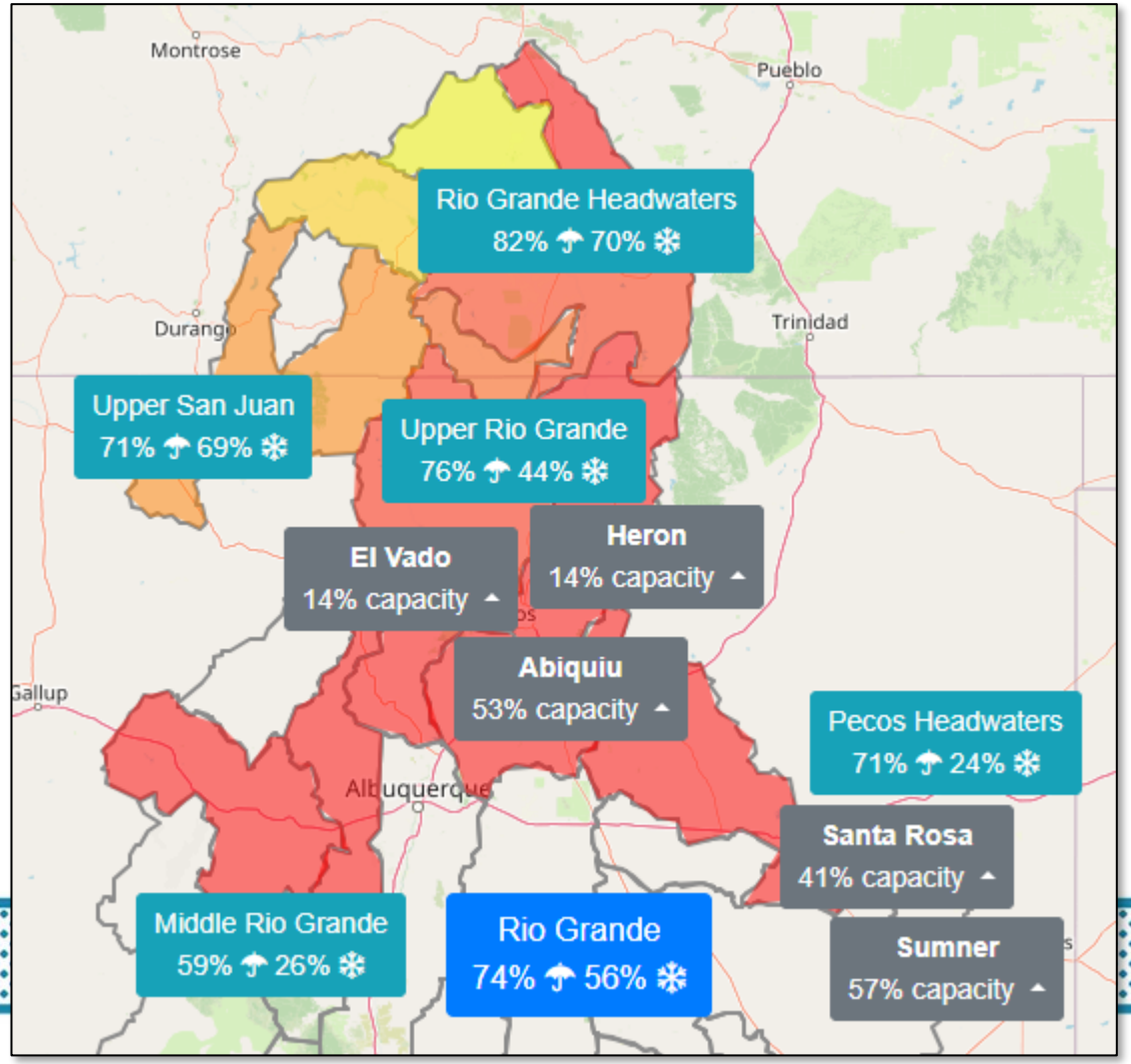
April 1, 2025 thru March 31, 2026

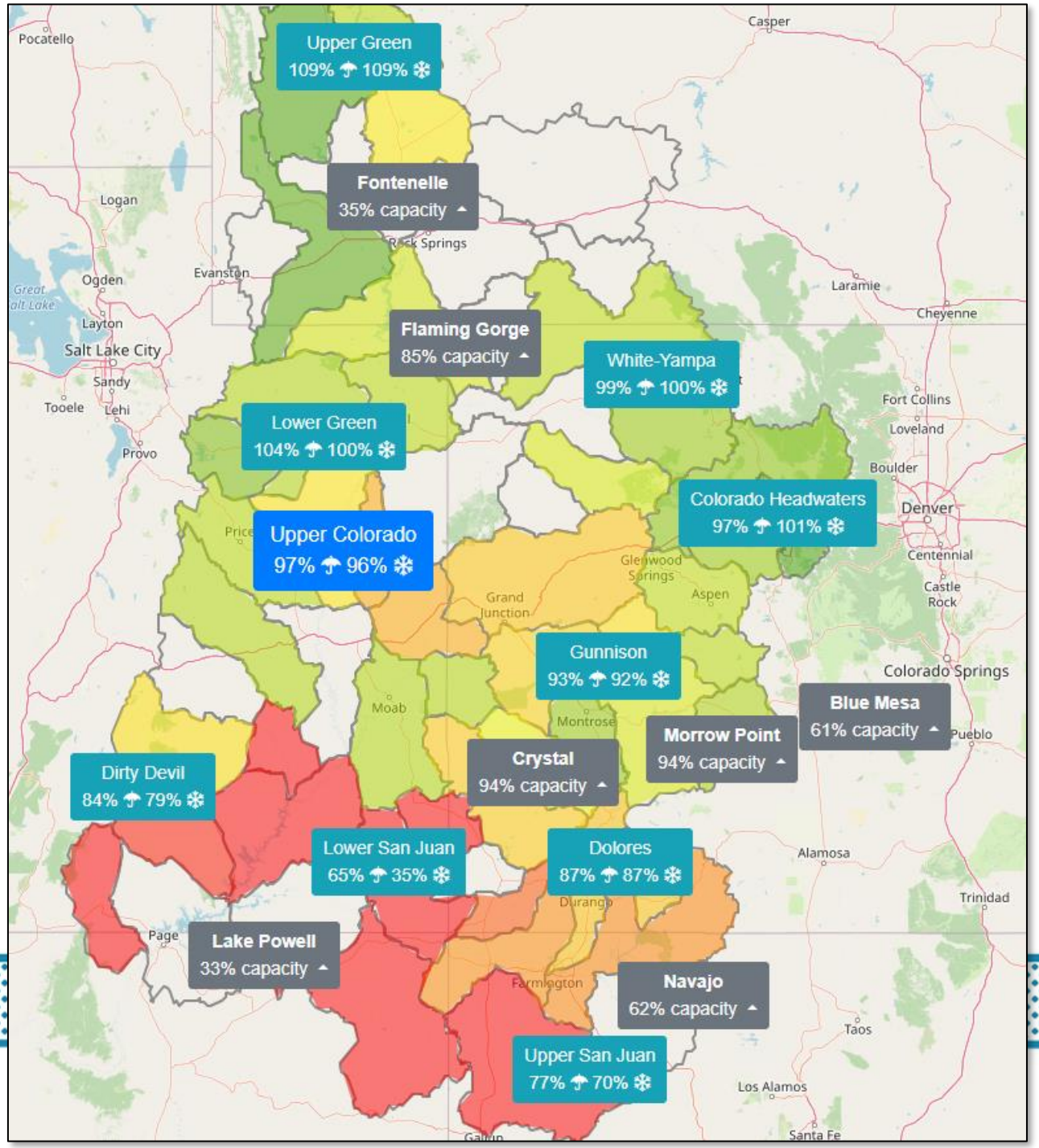
Annual Operating Plan - Overview

- Water Authority AOP one of three for the Middle Rio Grande
- Operating period: April 1, 2025 to March 31, 2026
- Due to USFWS by May 15th
- Key inputs into the AOP:
  - SP-4830 Conditions 12 and 13
  - Reclamation forecast model
  - *Water 2120* demand projection
- Coordinated between Water Resources and Operations

Snowpack

Bureau of Reclamation website:
https://www.usbr.gov/uc/albuq/water/index.html
(Date accessed: March 25, 2025)

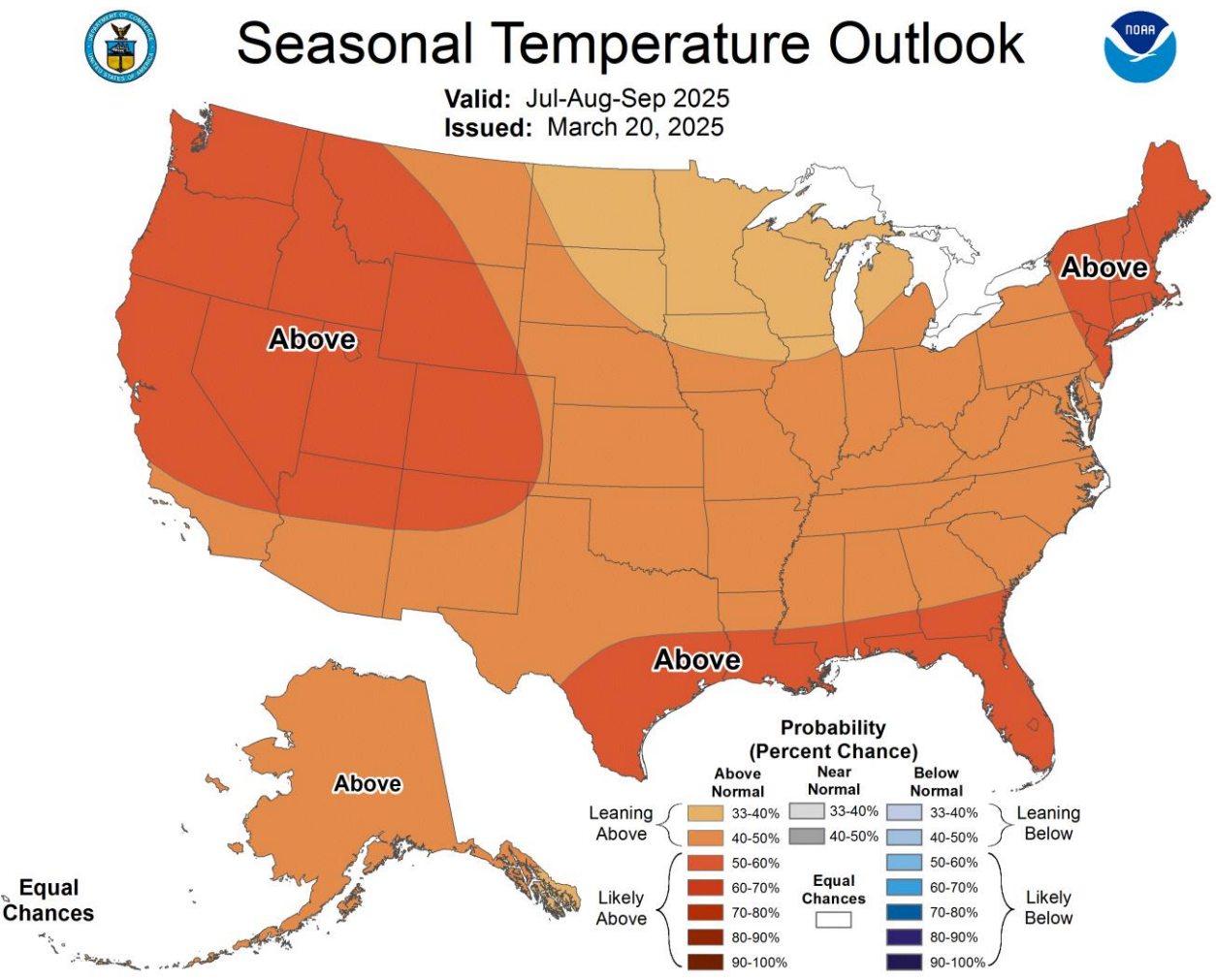


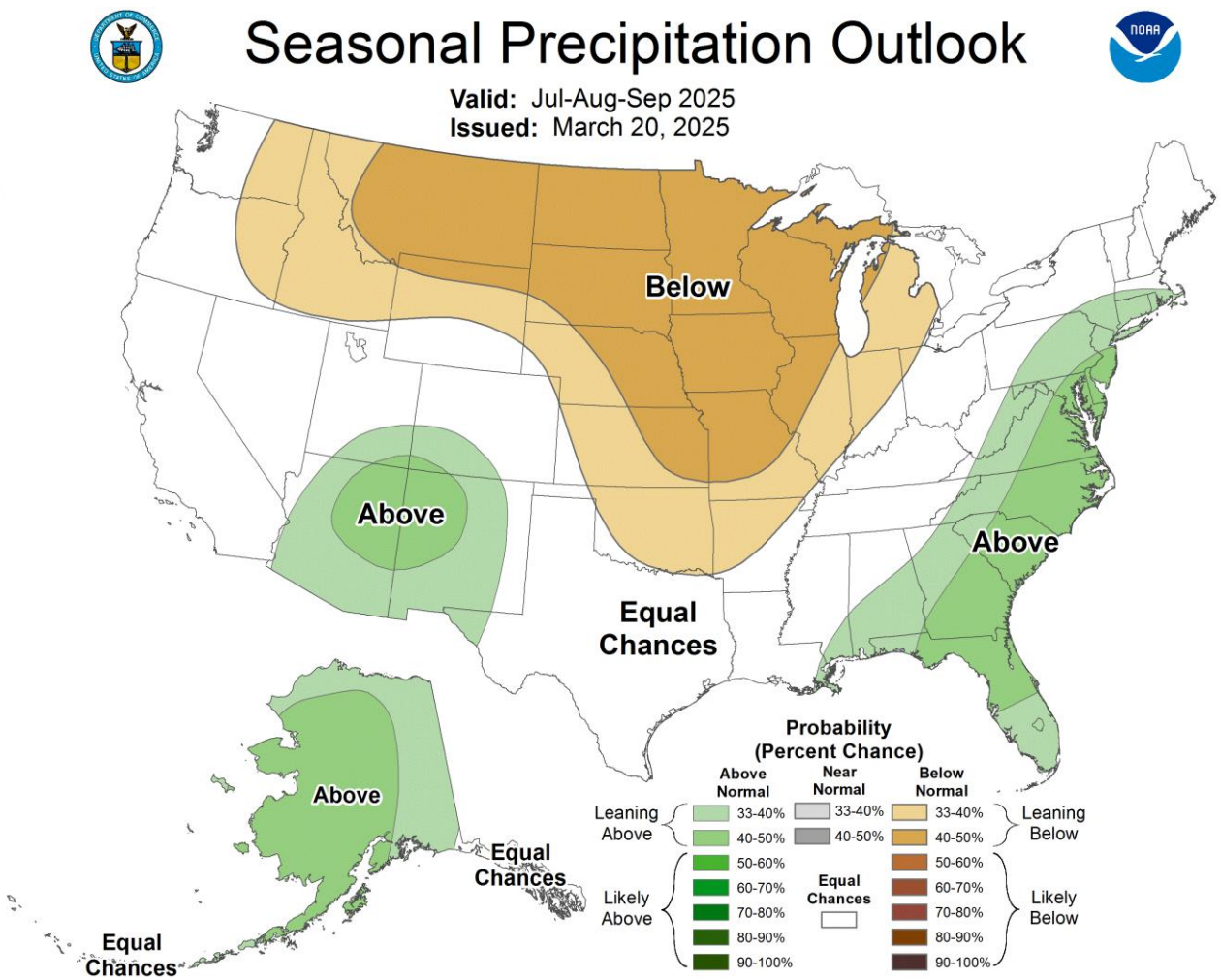


Precipitation and Temperature Outlook

National Weather Service Climate :

https://www.cpc.ncep.noaa.gov/products/predictions/long_range/seasonal.php?lead=4 (Date accessed: March 25, 2025)





SP-4830 Conditions 12 and 13

- *Condition 12* → "native" flow must be available AND stream flows at Albuquerque Central gage must be > 122 cfs
- *Condition 13* → diversion of "native" water must be curtailed when native flow is < 195 cfs at Alameda gage

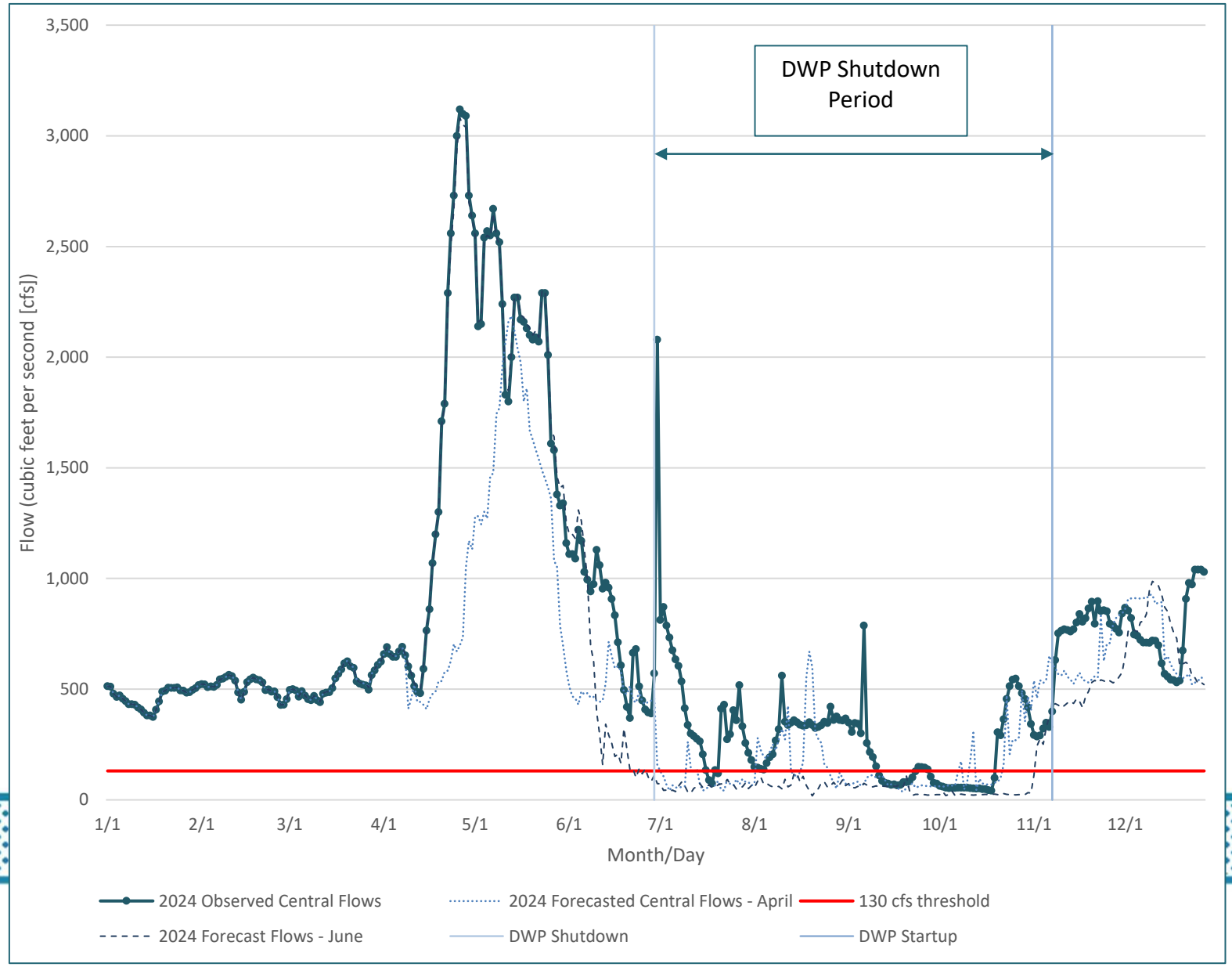
  AND

  Diversion must be suspended if native flow in the Rio Grande channel is ≤ 130 cfs at Alameda gage OR stream flows in the Rio Grande channel ≤ 122 cfs at the Albuquerque Central gage
- AOP ha both conditions set as thresholds that must be met for operation of the DWP diversion

Additional AOP Considerations

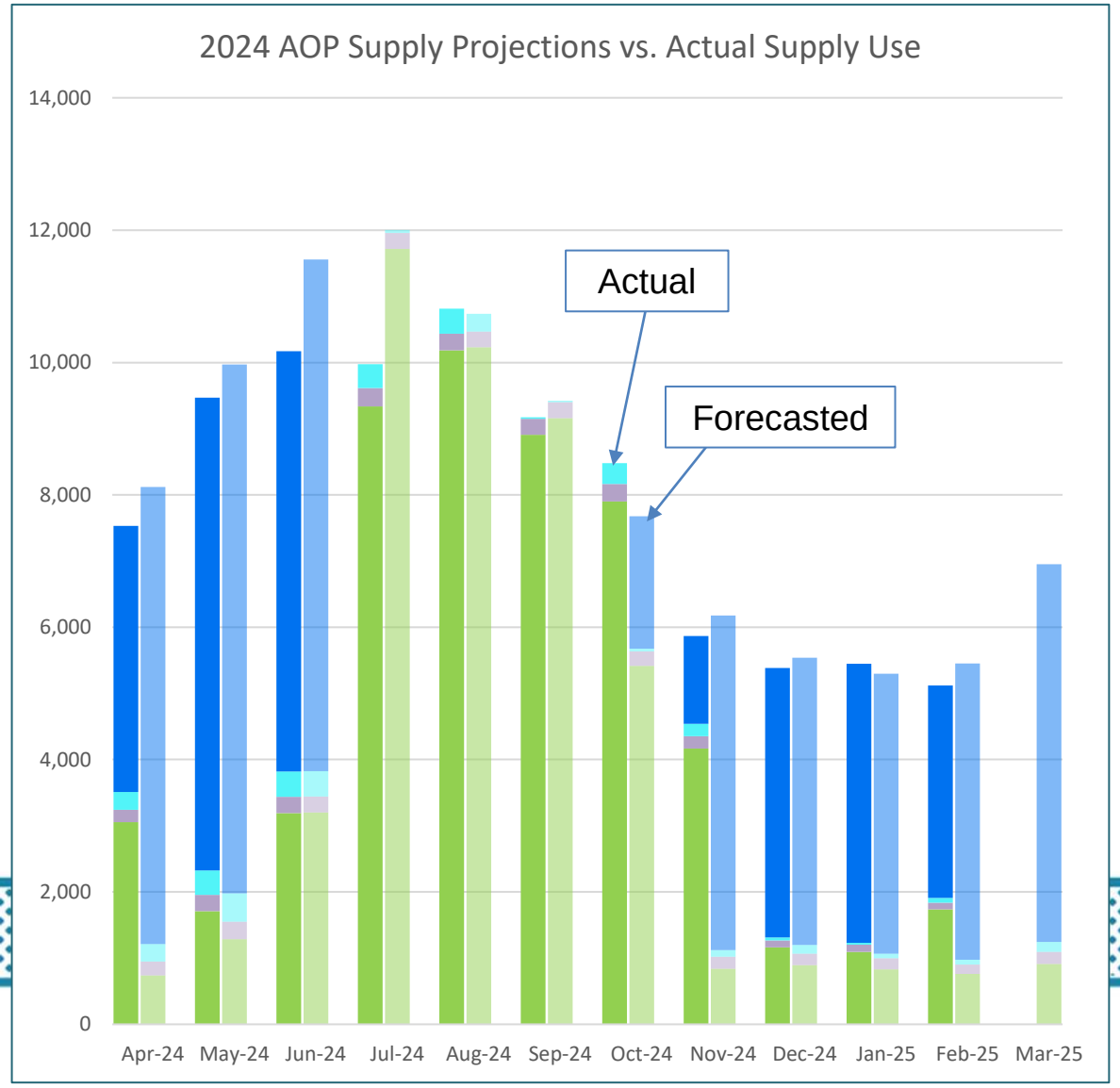
- Minimum groundwater pumping (in MGD)
- Reuse usage for operating period based on a three-year average
- North Non-Potable project demand (SP-4819)
- North Non-Potable surface water diversion shutdown during drying in Albuquerque reach
- DWTP Large-Scale Recharge Project – injected volume
- Bear Canyon Recharge Project – recharged volume

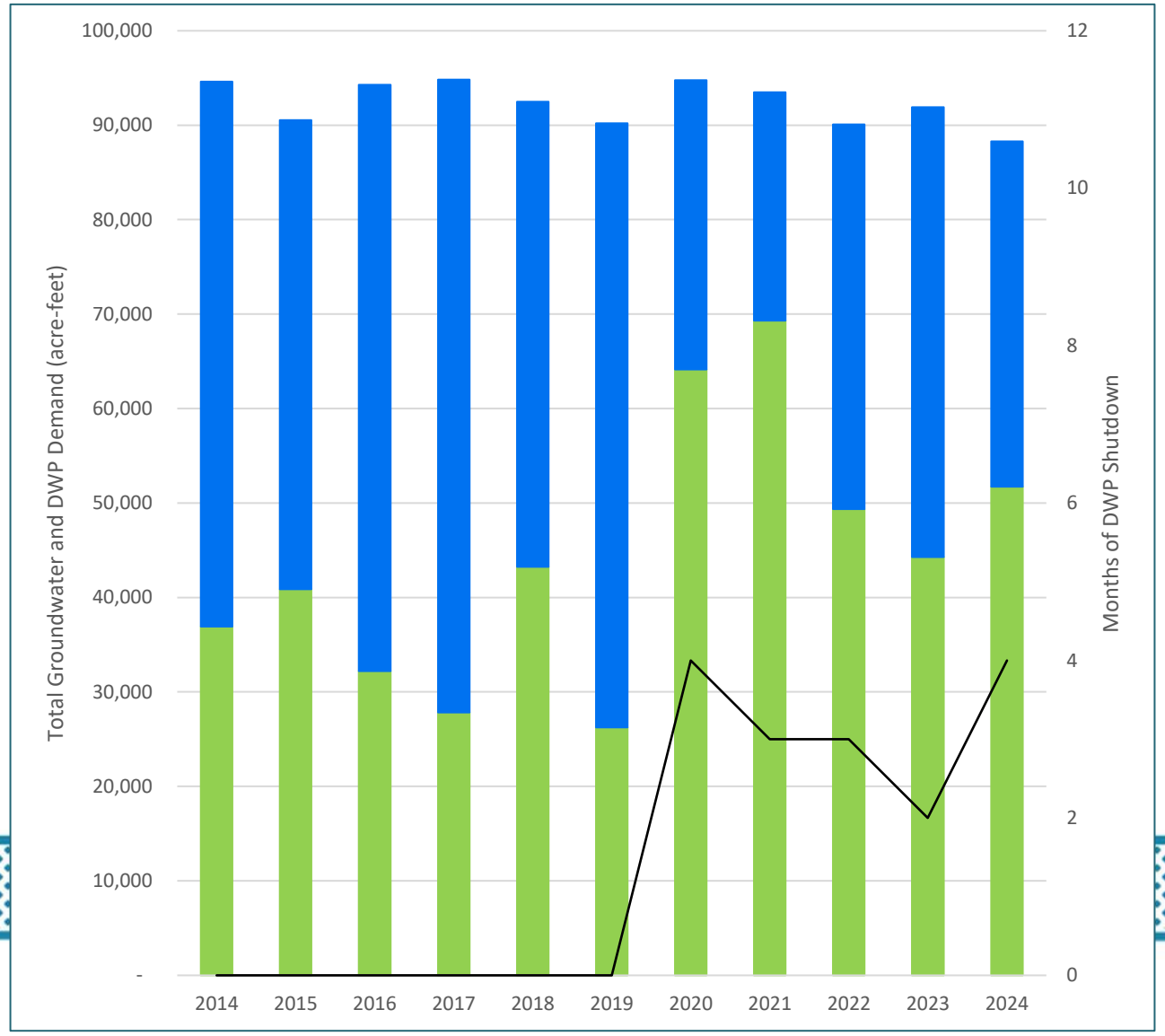
2024 Central Flows and Water Authority DWP Operation



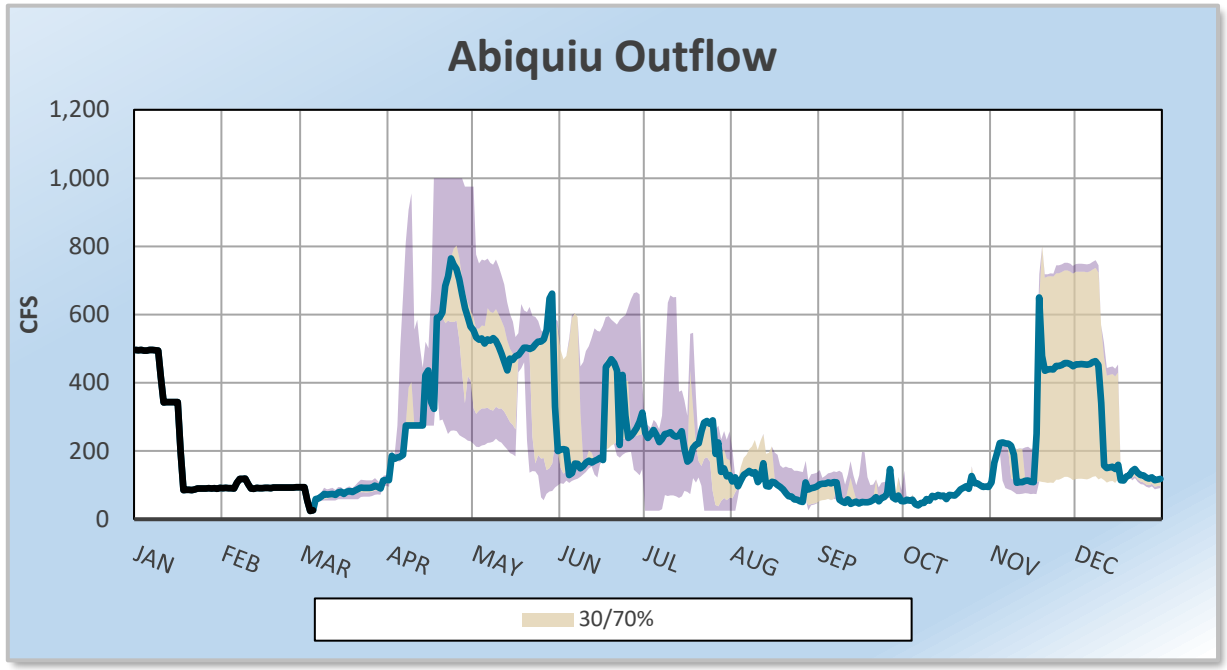
- DWP shutdown: June 30, 2024
  - Rio Chama sediment plug
- DWP resumed on November 7, 2024
- Flood operations April thru June
- North Non-Potable system remained operational all season
- Persistent low flows with mild monsoon season

Reflecting Back: 2024 AOP and Historic Groundwater Pumping

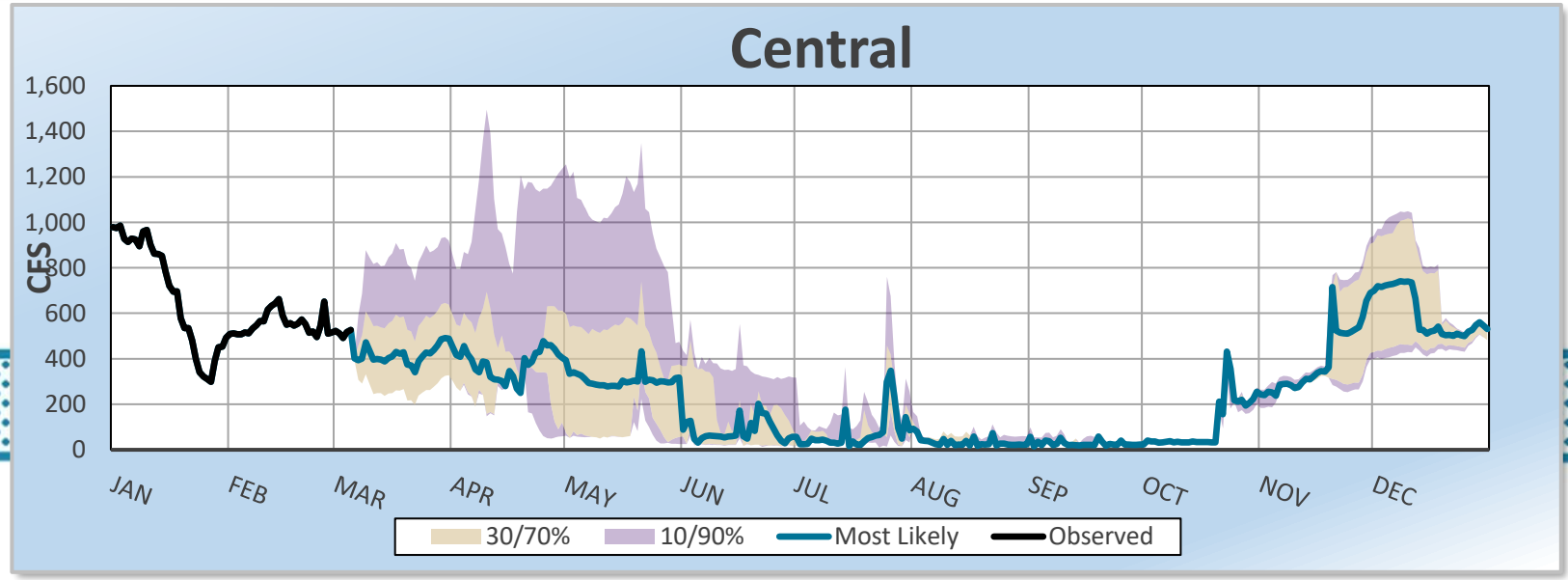




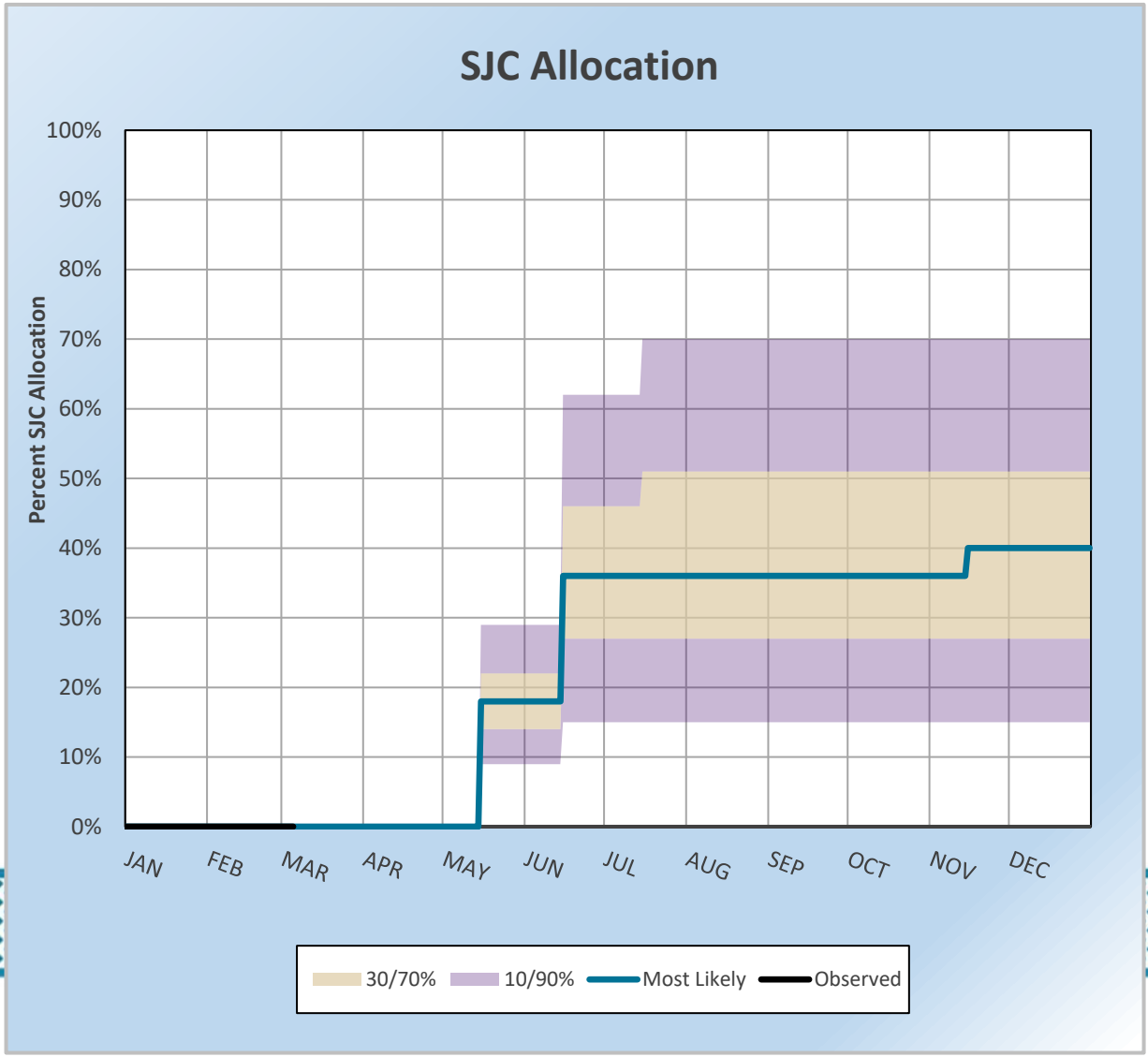
Bureau of Reclamation 2025 Flow Forecast Results

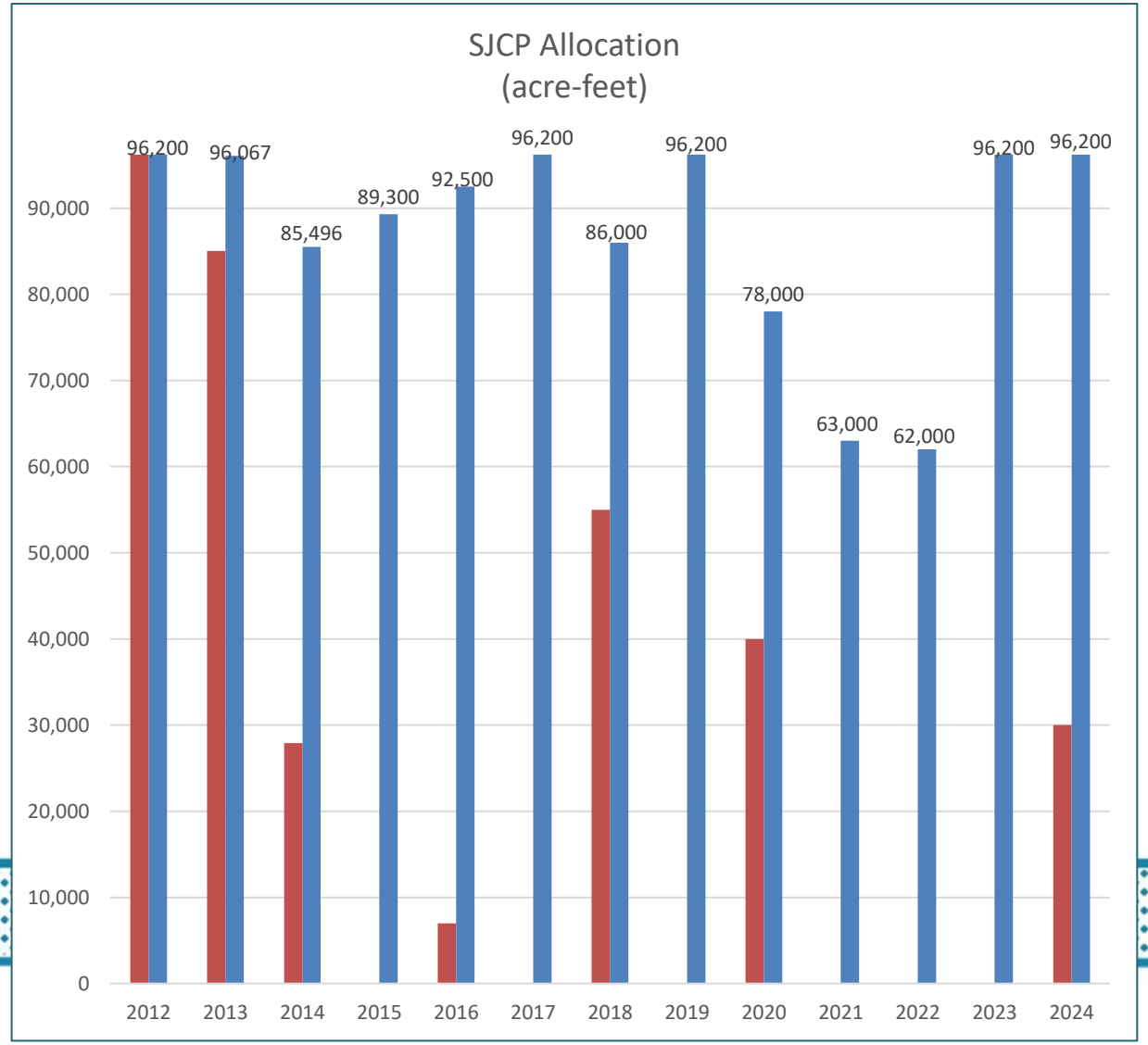


- No flood operations anticipated
  - USACE flood operations threshold 1000 cfs
- Reclamation forecast assumes less active monsoon season
- Hydrographs track with 2018, based on NRCS forecast and snowpack
- Flows at Central go below 122 cfs the end of April and remain low through late-October
- Late-summer flows dependent on monsoons and MRGCD operations



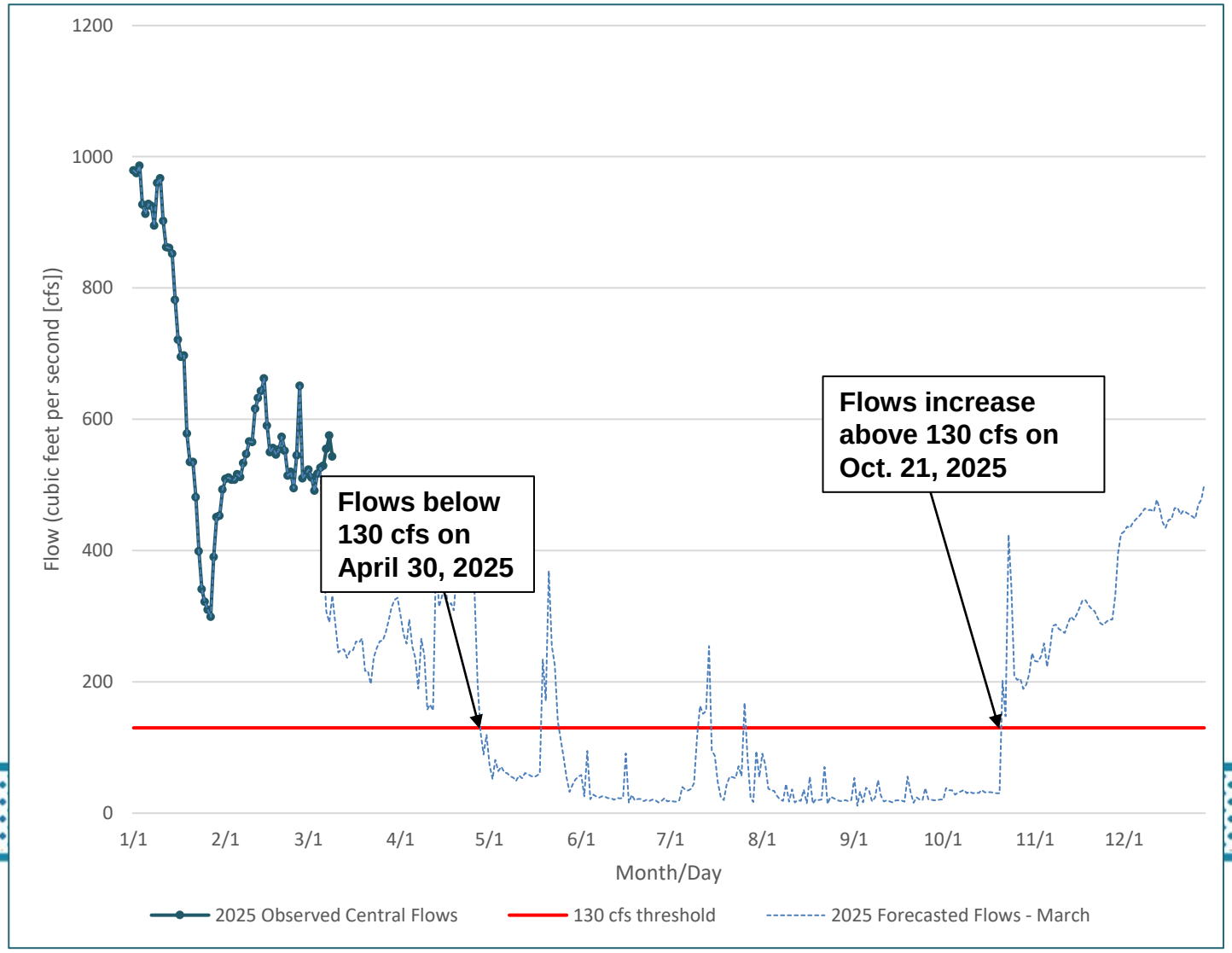
San Juan-Chama Allocation Projection





Water Authority Operations

April 1, 2025 – March 31, 2026



- 70% exceedance scenario
- No DWP diversions beginning in late-April through October 2025
- DWP will utilize shutdown to complete maintenance and CIP projects
- Actual operation will depend on observed flow conditions

Water Authority Monthly Diversions

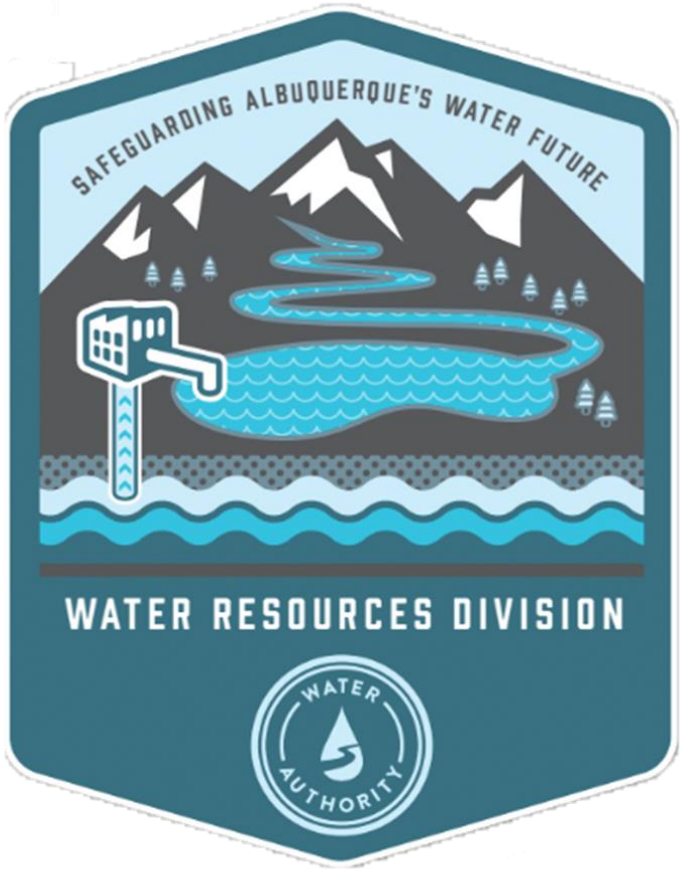
April 1, 2025 – March 31, 2026

Month	% Surface Water	% Groundwater
April 2025	91%	9%
May 2025	3%	97%
June 2025	3%	97%
July 2025	3%	97%
Aug 2025	3%	97%
Sept 2025	1%	99%
Oct 2025	61%	39%
Nov 2025	86%	14%
Dec 2025	83%	17%
Jan 2026	84%	16%
Feb 2026	86%	14%
March 2026	87%	13%

Regional Collaboration

- El Vado “First Fill” storage
- MRGCD loan of 2025 San Juan-Chama for consistent release
- Ongoing coordination on Rio Chama channel capacity
- Support of 2025 jiggle with USFWS and MRGCD
- Coordination with MRGCD for use of lateral in resuming DWP operation

Questions?

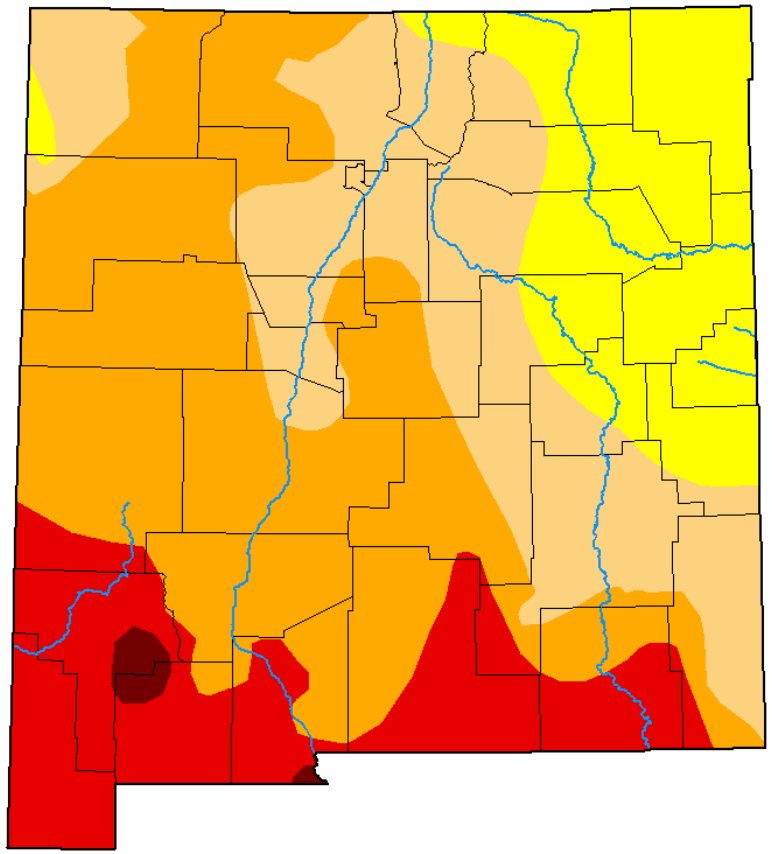


Water Resources Division

Water Report

Mark Kelly, PE
Water Resources Manager

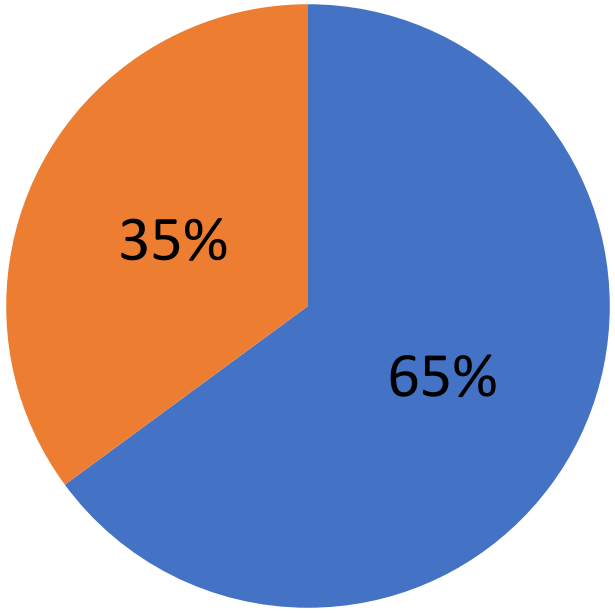
SUPPLY METRICS SNAPSHOT



D0 D1 D2 D3 D4

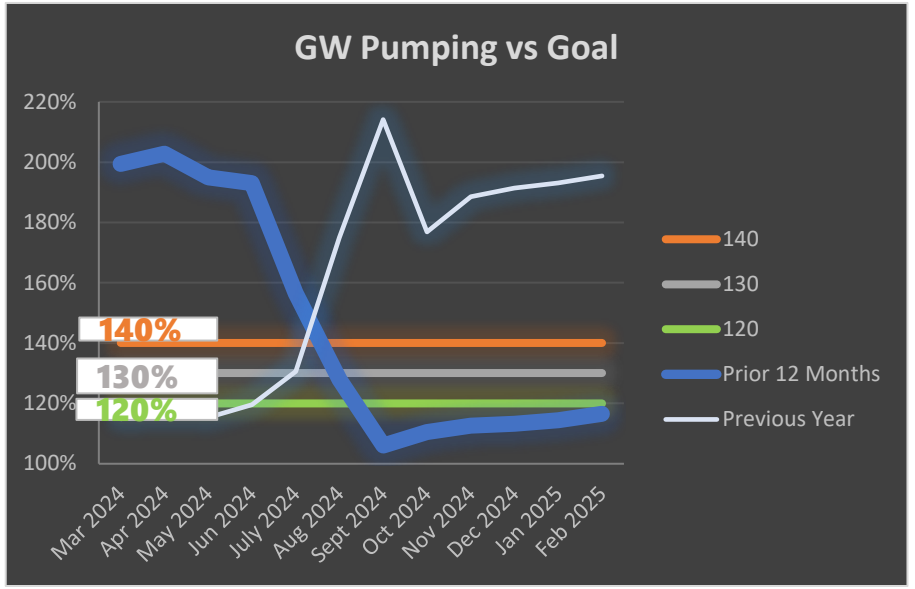
Water Authority Drought Stage: 0*

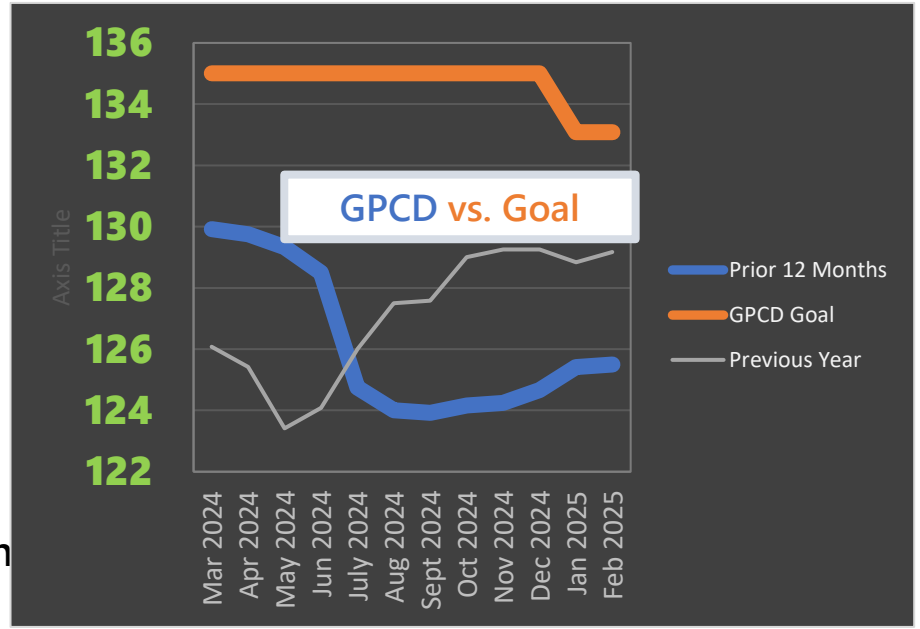
April 2025
(February Demand Data)



Groundwater Production

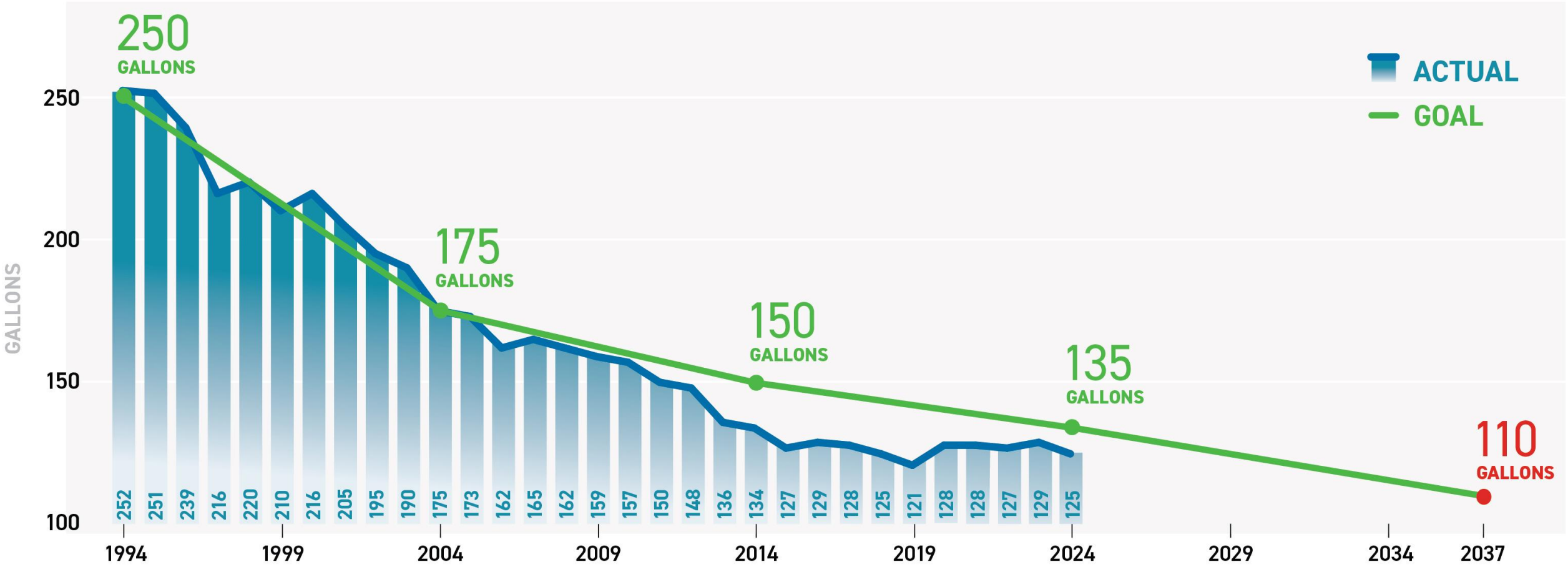
Surface Water Production





Long Term GPCD

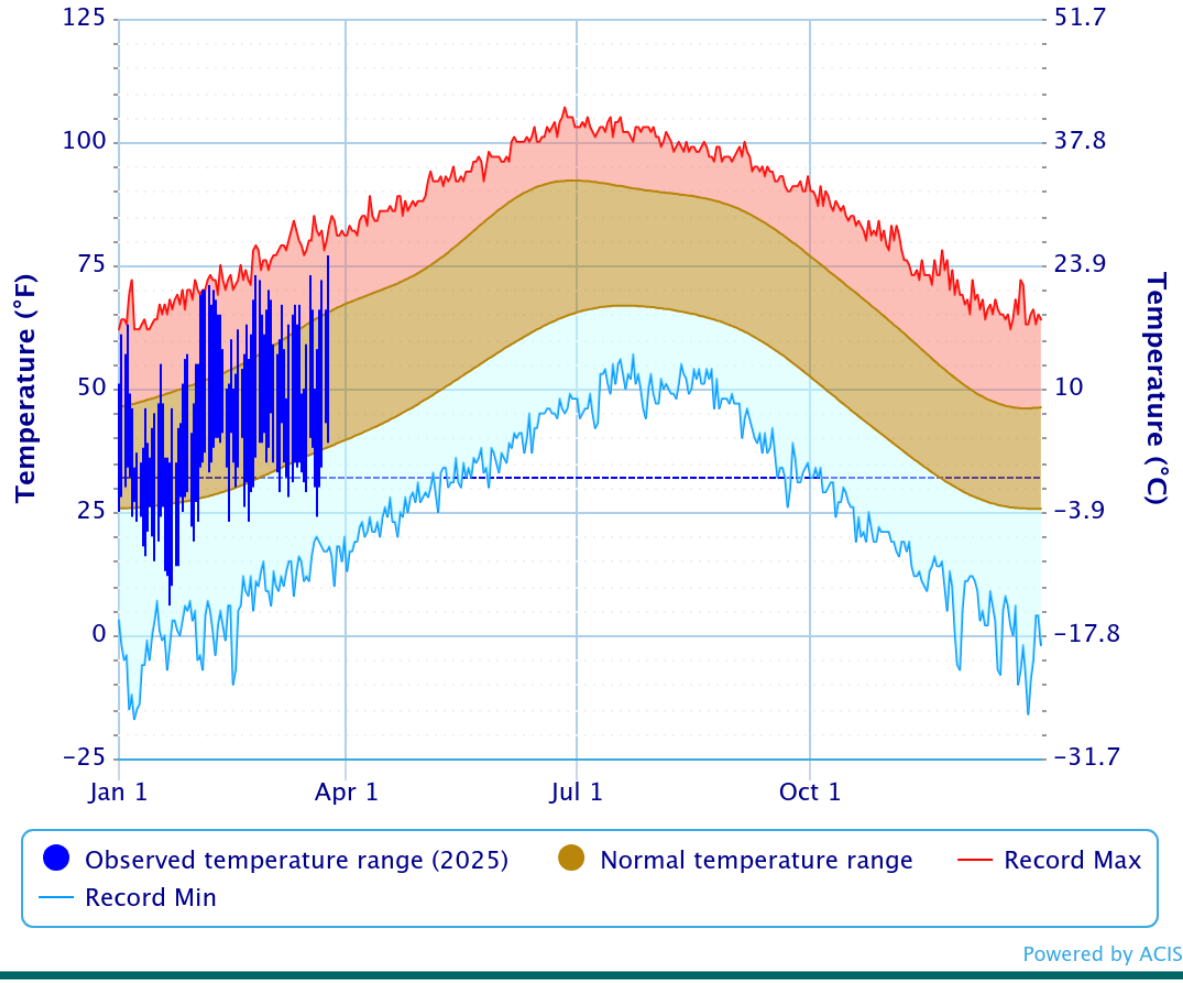
Gallons Per Capita Per Day, 1994-2037



Temperature and Precipitation

Daily Temperature Data – Albuquerque Area, NM (ThreadEx)

Period of Record – 1891-12-01 to 2025-03-24. Normals period: 1991-2020. Click and drag to zoom chart.



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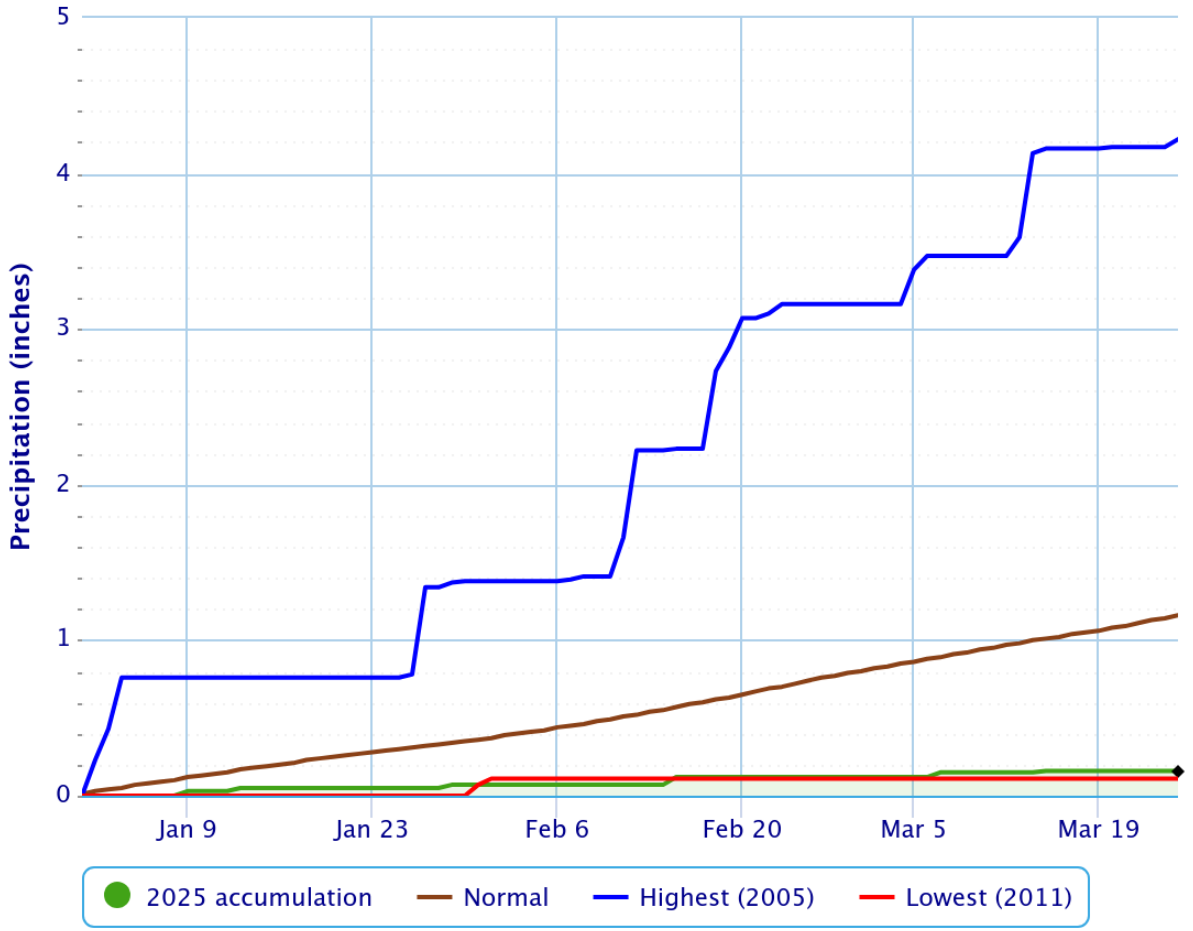
Accumulated Precipitation – Albuquerque Area, NM (ThreadEx)

Click and drag to zoom to a shorter time interval; green/black diamonds represent subsequent/missing values



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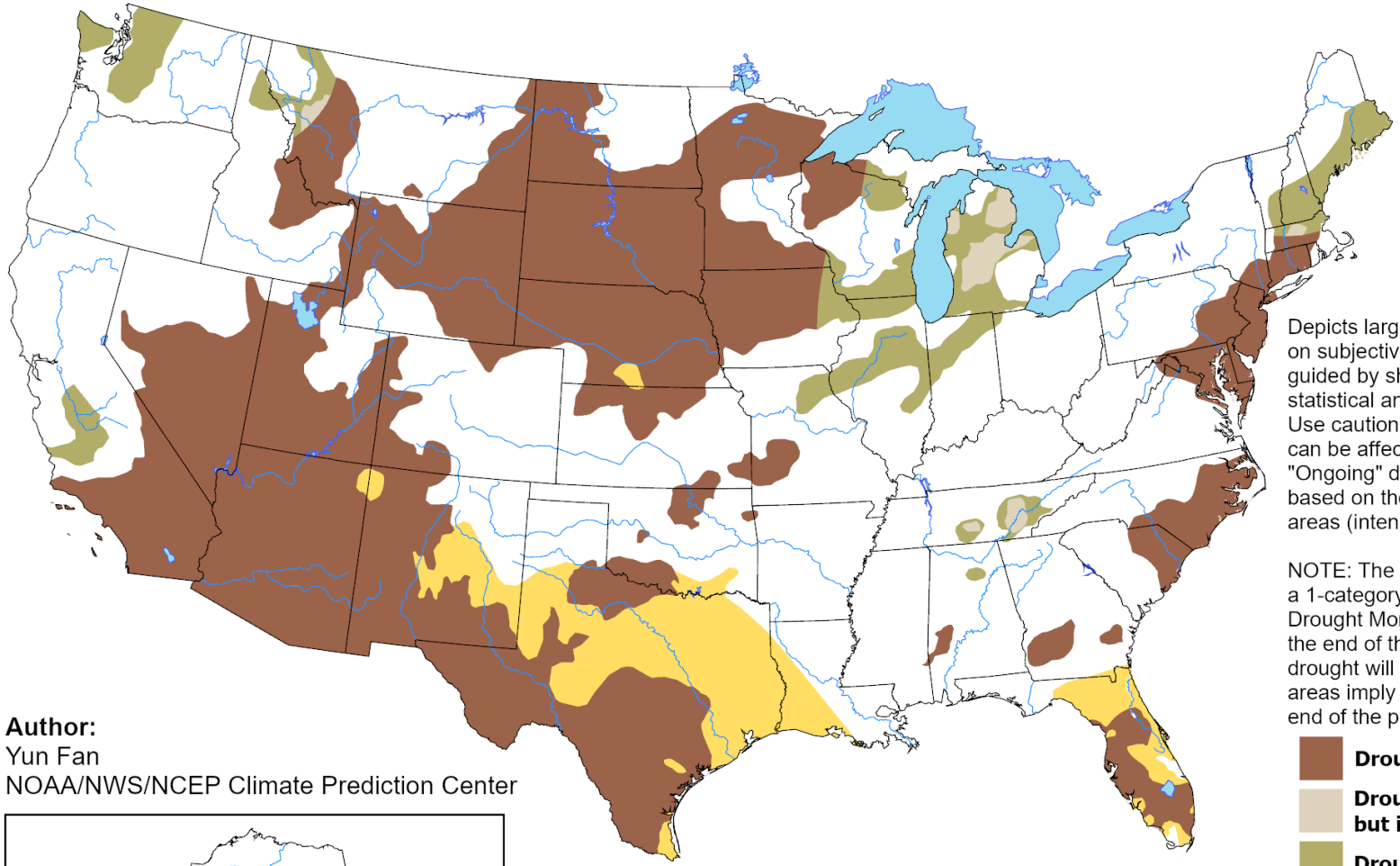
Drought Outlook

U.S. Monthly Drought Outlook

Drought Tendency During the Valid Period

Valid for March 2025
Released February 28, 2025

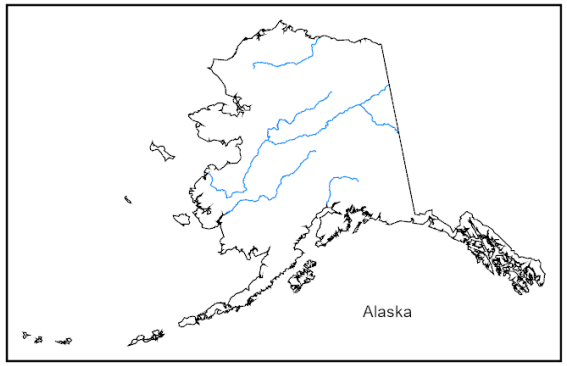


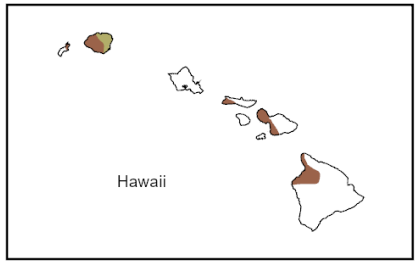
Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

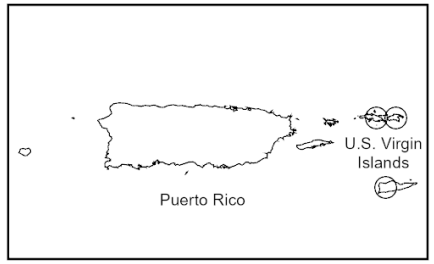
NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- **Drought persists**
- **Drought remains, but improves**
- **Drought removal likely**
- **Drought development likely**
- **No drought**

Author:
Yun Fan
NOAA/NWS/NCEP Climate Prediction Center





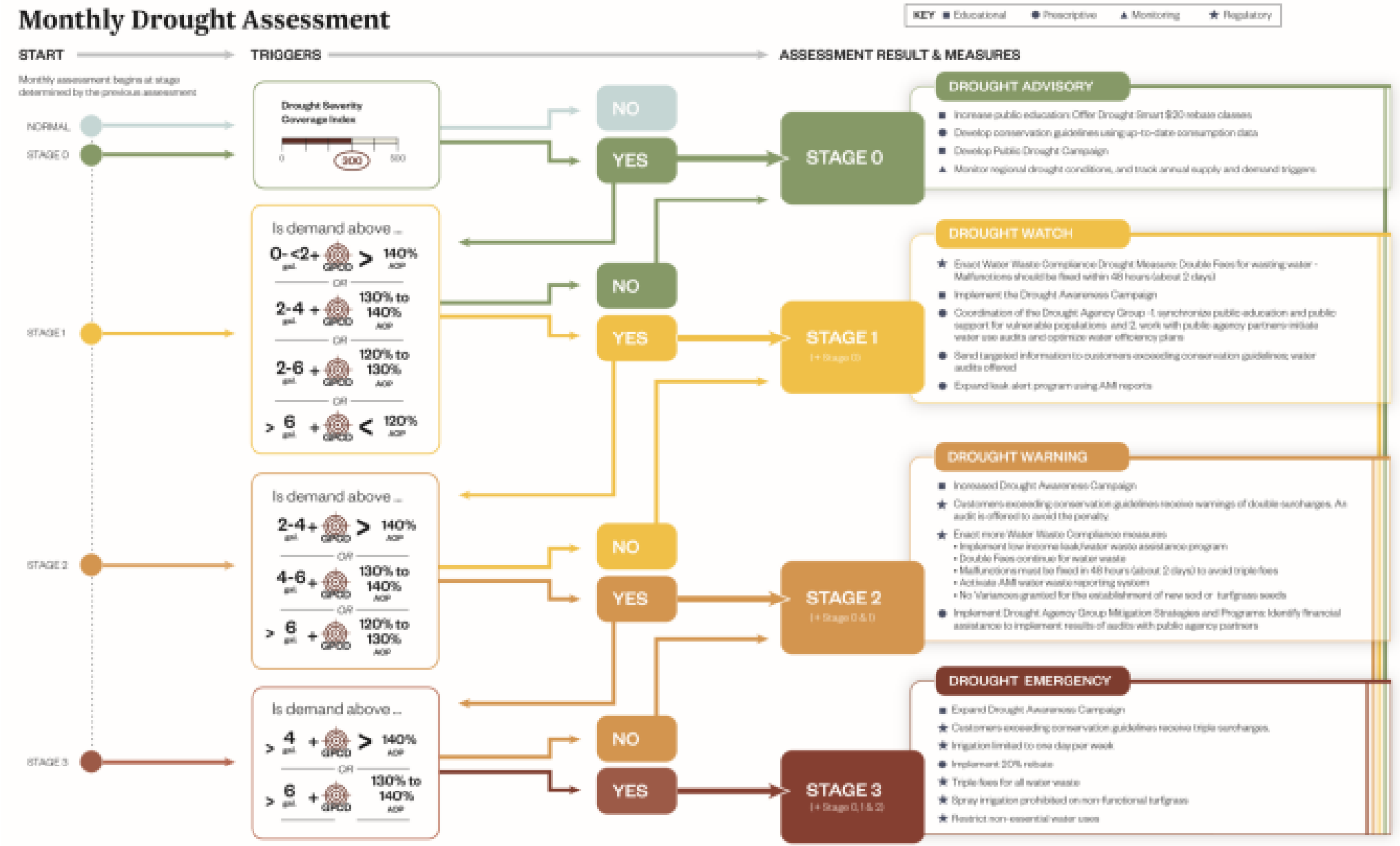


https://go.usa.gov/3eZGd

Drought Stages

Groundwater Production / GPCD	DSCI ≥ 300	Less than 120% of the Annual GW Production Goal	Between 120% and 130% of GW Production Goal	Between 130% and 140% of GW Production Goal	More than 140% of the GW Production Goal
0 to < 2 GPCD over the goal	Stage 0	Stage 0	Stage 0	Stage 0	Stage 1
2-4 GPCD over the goal	Stage 0	Stage 0	Stage 1	Stage 1	Stage 2
4-6 GPCD over the goal	Stage 0	Stage 0	Stage 1	Stage 2	Stage 3
> 6 GPCD over the goal	Stage 0	Stage 1	Stage 2	Stage 3	Stage 3

Drought Stages and Measures



Questions?