
Meeting Date: August 19, 2026
Staff Contact: Mark Sanchez, Executive Director

TITLE: R-26-20 – Resolution Authorizing the Albuquerque Bernalillo County Water Utility Authority to Establish Employee Benefit Plans

ACTION: Recommend Approval

SUMMARY:

The purpose of this agenda item is to obtain Board authorization to move forward with the work necessary to evaluate a transition of the Albuquerque Bernalillo County Water Utility Authority's (the "Water Authority") employee benefit plans from the City of Albuquerque benefits program to a stand-alone Water Authority structure. The benefit plans contemplated under this action include medical, prescription, dental, vision, basic and supplemental life insurance, and other voluntary supplemental plans.

The Water Authority currently participates in employee insurance and benefit arrangements provided through the City of Albuquerque. To evaluate whether the Water Authority should establish separate employee benefit plans, the Water Authority retained a consultant to perform a feasibility analysis. That analysis identified key operational, financial, and administrative considerations associated with implementing a stand-alone Water Authority benefits structure.

The feasibility analysis further indicated that establishing separate Water Authority benefit plans may create opportunities for cost savings for both the Water Authority and its employees, while also allowing the Water Authority to better tailor benefit offerings to its workforce and respond more directly and efficiently to employee benefit issues.

This resolution does not approve final plan documents, vendor contracts, or funding commitments. Instead, it authorizes staff to proceed with the next phase of work, including due diligence, evaluation of plan design options, cost analysis, transition planning, employee communication planning, and coordination with legal, human resources, consultants, carriers, and other relevant parties.

Key Considerations include:

- Ongoing communication with the City of Albuquerque Human Resource/Employee Benefits Office.
- Potential impacts on employee coverage, enrollment, administration, and communications.
- Review of plan design options, vendor structure, and implementation timeline.

- Assessment of fiscal impacts, including premium costs, administrative costs, and funding considerations.
- Compliance with procurement requirements and other legal or regulatory requirements.
- Need for any future Board approvals for contracts or final implementation actions.

FISCAL IMPACT:

At this stage, the requested action authorizes continued evaluation and planning and does not commit the Water Authority to any final contract, premium structure, or funding decision. Fiscal impacts associated with any proposed stand-alone benefit structure will be further analyzed and presented to the Board as part of any future approval request.

RECOMMENDATION:

Approve the resolution authorizing the Water Authority to proceed with the evaluation, planning, negotiation, and potential implementation activities necessary to establish employee benefits program, subject to applicable legal requirements and any further Board approvals required for final agreements or implementation actions.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-26-20

1 **RESOLUTION**

2 **AUTHORIZING THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY**
3 **AUTHORITY TO ESTABLISH EMPLOYEE BENEFIT PLANS**

4 WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (the "Water
5 Authority") is a separate public entity created pursuant to state law and governed by its
6 own Governing Board; and

7 WHEREAS, the Water Authority currently participates in employee insurance and
8 benefit arrangements provided through the City of Albuquerque; and

9 WHEREAS, the Water Authority retained a consultant to perform a feasibility
10 analysis regarding the separation of its employee benefit plans from the City of
11 Albuquerque benefits program, and that analysis identified the operational, financial,
12 and administrative considerations associated with establishing a stand-alone Water
13 Authority benefits program; and

14 WHEREAS, the feasibility analysis indicated that cost savings may be realized
15 for the Water Authority and its employees from establishing its own benefits plan, and
16 would permit the Water Authority to better tailor its benefit offerings and responsiveness
17 to employee benefit issues; and

18 WHEREAS, based on that analysis, the Board finds that it is in the best interests
19 of the Water Authority to plan, evaluate, and negotiate a potential employee benefit
20 program for Water Authority employees and eligible dependents, including medical,
21 prescription, dental, vision, and basic and supplemental life insurance, as well as other
22 voluntary supplemental plans, in order to enhance administrative independence, align
23 benefit administration with organizational needs, and support long-term operational
24 flexibility; and

25 WHEREAS, the Board further recognizes that implementation of a separate
26 benefits program will require appropriate due diligence, including review of costs, plan
27 design, vendor options, transition requirements, employee communications, compliance
28 obligations, and any contractual or regulatory actions; and

1 WHEREAS, the Board desires to authorize staff to proceed with the planning,
2 evaluation, and negotiation, activities necessary to establish a benefits program for
3 Water Authority employees subject to any applicable laws and final approval of any
4 definitive agreements or actions requiring Board approval.

5 **BE IT RESOLVED BY THE WATER AUTHORITY:**

6 Section 1. The Board hereby authorizes the Executive Director to proceed
7 with the evaluation, planning, negotiation, and potential implementation activities
8 necessary to establish employee benefit plans for the Water Authority, including
9 medical, prescription, dental, vision, and basic and supplemental life insurance, as well
10 as other voluntary supplemental plans.

11 Section 2. In carrying out this authorization, staff shall conduct appropriate
12 due diligence regarding plan options, fiscal impacts, funding requirements,
13 administrative feasibility, employee transition issues, legal and regulatory compliance,
14 and procurement requirements.

15 Section 3. Staff is further authorized to confer and negotiate with the City of
16 Albuquerque, insurance carriers, third-party administrators, brokers, consultants, and
17 other relevant parties, and to prepare such documents, analyses, transition plans, and
18 proposed agreements as may be necessary or advisable to carry out the purposes of
19 this Resolution.

20 Section 4. Any plan adoption, vendor contract, funding commitment, or other
21 action requiring approval by the Board or any other governmental authority shall be
22 presented for such approval before becoming effective.

23



Authorizing Evaluation of Water Authority Employee Benefit Plans





Background & Purpose

- The Water Authority is a separate public entity governed by its own Board, currently participating in the City of Albuquerque employee insurance and benefit arrangements
- An independent consultant (Gallagher) completed a feasibility analysis to study the costs, risks, and potential impact of creating a separate benefits program for Water Authority employees
- The analysis identified operational, financial, and administrative considerations associated with establishing a stand-alone Water Authority benefits program



Insurance | Risk Management | Consulting



Why Establish a Benefits Program

- Enhance administrative independence for the Water Authority as a separate public entity
- Align benefit administration with the Water Authority's organizational needs and workforce
- Support long-term operational flexibility in plan design, vendor selection, and cost management





Scope of Authorization

- Authorizes the Executive Director to evaluate, plan, negotiate, and recommend the implementation of benefit plans
- Plans in scope: medical, prescription, dental, vision, basic and supplemental life, and voluntary supplemental coverage for employees and eligible dependents
- Authorizes staff to confer, consult and negotiate with the City of Albuquerque, insurance carriers, third-party administrators, brokers, and other relevant parties
- Staff to prepare analyses, transition plans, and proposed agreements necessary to carry out the purposes of the Resolution





Due Diligence & Board Oversight

- Due diligence on plan options, fiscal impacts, funding requirements, administrative feasibility, transition issues, legal and regulatory compliance, and procurement requirements
- Any plan adoption, vendor contract, or funding commitment shall be subject to the Board approval
- Resolution preserves all applicable law, procurement policy and regulatory approvals





Timeline for Due Diligence and Potential Implementation

- Planning & due diligence (Q4 FY26): finalize plan design parameters, fiscal modeling, funding strategy, and administrative feasibility review
- Procurement (Q1 – Q2 FY27): issue solicitations for carriers, third-party administrators, brokers, and consultants in accordance with Authority procurement policy
- Labor & legal coordination (Q1 – Q2 FY27): Confirm legal, regulatory, and compliance pathways with the City of Albuquerque
- Transition & go-live (Q3 – Q4 FY27): Obtain Board approval of the final agreements; employee communications, open enrollment, and establish Water Authority benefits administration and processes



Questions

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