
Meeting Date: June 26, 2019
Staff Contact: Frank Roth, Senior Policy Manager

TITLE: R-19-11 – Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for the Carnuel Water Systems Improvement Project Phase 2c

ACTION: Recommend Approval

SUMMARY:

This resolution authorizes the Water Authority to submit an application for financial assistance and project approval for \$2 million to the New Mexico Finance Authority (NMFA) for the Carnuel Water System Improvements Project. This funding would construct waterlines in the Phase 2c project area which is in the defined High Priority area. If the project and funding are approved by the NMFA, the project would be ready to bid and could be completed in approximately one year.

The community of Carnuel mostly obtains their water from private wells and disposal through septic systems and is in urgent need of a central public water and wastewater system. In addition, the Carnuel community's private wells are shallow and often co-exist in the same areas with poorly functioning, aging septic systems which have led to nitrate contamination in many of the wells. Moreover, the Carnuel community has seen a serious decline in the quality of water coming from private wells and in some areas it does not meet the mandates of the Safe Drinking Water Act.

In November 2008, the Water Authority and the Carnuel Mutual Domestic Water Consumer Association entered into an agreement for the Water Authority to act as fiscal agent and extend water infrastructure using federal and state grants and loans.

The extension of the water system to the Carnuel community is an eight-phase project which will connect about 800 existing households. Phase 1 extended water service from an existing Water Authority reservoir to the High Priority area; the project was completed in November 2010. Phase 2a, which includes a 387,000 gallon water tank, was completed in September 2015. The water tank provides water storage capacity, fire flow protection, and redundancy to the project area. Phase 3a continued the extension of the water distribution lines through the High Priority area; this project was completed in September 2016. Phase 2b, which is currently in construction, continues the extension of water distribution lines on the north side of NM333.

The Water Authority will own and operate the system. Residents who connect to the system will pay Water Authority Ordinance rates and fees. System expansion is guided by

the Bernalillo County Tijeras Canyon/Carnuel Plan which identifies priority areas for water and wastewater service.

FISCAL IMPACT:

Total project cost is estimated to be \$2,000,000. The Water Authority will be required to provide a 25% local match or \$500,000. The loan component will be financed through water connection fees.

1 Section 2. That the completed Application submitted to the Governing Body be
2 hereby approved and confirmed.

3 Section 3. That the officers and employees of the Governing Body are hereby
4 directed and requested to submit the completed Application to the Authority for its
5 review and are further authorized to take such other action as may be requested by the
6 Authority in its consideration and review of the Application and to further proceed with
7 arrangements for financing the Project.

8 Section 4. All acts and resolutions in conflict with this resolution are hereby
9 rescinded, annulled, and repealed.

10 Section 5. This resolution shall take effect immediately upon its adoption.

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