



Meeting Date: October 22, 2014
Staff Contact: Allan Porter, Principal Engineer, Utility Development

TITLE: R-14-13 – Authorizing an Agreement with Woodmont Paseo LLC for Valle Prado Units 1, 2, and 3 Subdivisions for Water and Sewer Service

ACTION: Recommend Approval

SUMMARY:

The Valle Prado Subdivision consists of three separate phases, Units 1, 2 & 3. Unit 1 consists of 32 lots; Unit 2 consists of 29 lots and Unit 3 consists of 20 lots for a total of 81 residential lots. The Subdivision is located immediately west of the intersection of Rainbow Blvd. and Woodmont Ave. Water service to Valle Prado will be taken from Pressure Zone 4W of the Volcano Trunk. The development is outside of the Water Authority's adopted Water Service Area.

Provision of potable water service to the Development will require additional arsenic treatment and water storage capacity within the Pressure Zone 4W distribution system. As such, the Development will be assessed a Facility Fee in the amount of \$135,149.87. This Facility Fee reflects the Development's proportional costs of expanding water production capacity within the existing potable water distribution system. No utility services will be provided within the Development until the Facility Fee is paid in whole.

The Facility Fee will be assessed as a lump sum against each of the three Units within the development. By Unit, these assessments are as follows:

- Unit 1 (32 lots) \$53,392.54
- Unit 2 (29 lots) \$48,386.99
- Unit 3 (20 lots) \$33,370.34

As the expansion of system capacity is classified as Master Plan Facility Improvements, this Facility Fee will be reimbursable by the Water UEC's collected as services are established within each of the Development Units.

This proposed development agreement outlines the final terms and conditions, including the lump sum Facility Fees necessary to provide water and wastewater services to Valle Prado Subdivision.

FISCAL IMPACT: None.

DEVELOPMENT AGREEMENT
Valle Prado Units 1, 2 and 3 Subdivision

Albuquerque Bernalillo County Water Utility Authority, a New Mexico political subdivision, (“Water Authority”) and Woodmont Paseo, LLC, a Nevada limited liability corporation, (“Developer”) (together, “Parties”), agree as follows:

1. Recitals

- A.** Woodmont Paseo, LLC is the “Developer” and owner of certain real property located in Unit 3a of The Trails subdivision (collectively, the “Property”). The Property is more particularly described and shown on **Exhibit A** attached hereto and incorporated herein by reference. The Property at full development will consist of three (3) phases, Unit 1 (32 lots), Unit 2 (29 lots) and Unit 3 (20 lots) for a total of 81 residential lots. The Property is located in the former New Mexico Utilities, Inc. (“NMUI”) service area, outside the Water Authority’s currently adopted Water Service Area.
- B.** The Property is located in Pressure Zone 4W of the Volcano Trunk.
- C.** The Parties desire to agree upon terms and conditions pursuant to which the Water Authority will provide water and sanitary sewer service to the Property. The Developer desires to construct, or cause to be constructed, extensions of existing public water and sanitary sewer lines and appurtenant infrastructure (collectively, “Line Extensions”) under all applicable plans, specifications, requirements, and standards of the Water Authority. The Serviceability Statement for the Property reflecting the line extensions and other matters referred to in this Agreement is attached hereto as **Exhibit B** and incorporated herein by reference and made a term of this agreement.
- D.** The expansion of the existing water distribution system to the Property will require additional arsenic treatment and water storage capacity within the Pressure Zone 4W distribution system. As such, the Property will be assessed a Facility Fee that reflects their proportional costs of the required additional system capacities.

2. Design and Construction of the Waterlines and Sanitary Sewer Line

- A.** The Developer will cause definitive designs and plans of the Line Extensions to be produced which will include estimates of all costs and expenses. The Developer will not connect the extension lines to the existing water and sanitary sewer lines within the City of Albuquerque (“City”) public right-of-way until the Water Authority has approved the line extensions. The Developer will convey, at no expense to the Water

Authority, all Line Extensions that have been approved and accepted by the Water Authority and all necessary easements for the Line Extensions at locations reasonably acceptable to the Developer, free and clear of all liens, claims, and encumbrances for the construction, operation, and maintenance of the line extension. The Developer will obtain all necessary permits, assurances, and approvals from the Water Authority and City, and the Developer will deliver a copy of such permits, assurances, and approvals to the Water Authority prior to the start of construction. Construction will be handled through the City work order process.

- B.** The Developer will complete, or cause to be completed, construction of the Line Extensions as approved by the City of Albuquerque Design Review Committee and the Water Authority, and in conformance with all applicable plans, specifications, and standards of the City and the Water Authority.
- C.** The Developer will be responsible for close coordination of the project with the Water Authority during the design and construction phases, including review of design details, during the design process, and the approval of specifications and contract documents. The Water Authority will review and approve in a timely manner the design plans for construction and estimated cost, to ensure the designs meet Water Authority standards and follow the guidance provided in the City's Development Process Manual ("DPM") and/or applicable Water Authority Design Manuals.
- D.** To the extent relevant and applicable and to the extent there is no conflict with the terms of this Agreement, the usual procedures and documentation, including the Procedure "B", as defined in the Subdivision Ordinance and the DPM of the City, will be followed and used for the Line Extensions.

3. Service

- A.** The Developer shall comply with the Water Authority's Water and Sewer System Expansion Ordinance, as amended from time to time. Connection for water service shall require the concurrent connection of sanitary sewer service to the Water Authority's wastewater system.
- B.** The Developer or its successor shall pay Utility Expansion Charges (UEC) and the Water Supply Charges (WSCs) at the rates that are imposed at the time of a service connection, as provided in the Water Authority's Water and Sewer Rate Ordinance, as amended from time to time.
- C.** The Developer shall pay a Facility Fee to the Water Authority in the amount of \$135,149.87. This fee reflects the proportional costs associated with the increase of arsenic removal water treatment and reservoir

capacities associated with providing potable water service to the Property. No utility services will be sold to the Property until the Facility Fee is paid in whole for each unit, with Unit 1 (32 lots) being \$53,392.54, Unit 2 (29 lots) \$48,386.99 and Unit 3 (20 lots) \$33,370.34. As the expansion of system capacity is classified as Master Plan Facility Improvements, this Facility Fee is reimbursable by the Water UEC's collected as services are established for the 81 residential lots within the Property. The UEC reimbursements will total no more than the \$135,149.87 Facility Fee amount. Reimbursement will be on a Fiscal Year basis. The Reimbursement request must be initiated by the Developer or its successor. A detail of the Facility Fee calculation is provided in **Exhibit C**.

D. Pursuant to Water Authority Resolution No. R-05-13, the Developer agrees that it will incorporate water conservation guidelines that will seek to achieve water usage of no more than 180 gallons per household which is equivalent to seventy-five (75) gallons per capita per day.

- 4. Termination.** If construction of the waterline extensions and sanitary sewer extensions by the Developer has not been completed and accepted by the Water Authority within seven years of the effective date of this Agreement, this Agreement shall automatically terminate, and the Water Authority and the Developer shall have no further rights, obligations, or liabilities with respect to this Agreement, unless otherwise agreed in writing.
- 5. Water for Construction.** During the construction of the waterline extensions and sanitary sewer line extensions, water for construction may be obtained from a hydrant designated by the Water Authority as set forth on **Exhibit D** attached hereto and incorporated herein by reference. If economically feasible, the Contractor is encouraged to utilize alternative methods for dust abatement and control including compost from the Water Authority.
- 6. Indemnification.** The Developer will defend, indemnify and hold harmless the Water Authority and its officials, agents, and employees on demand from any claims, actions, suits, or other proceedings arising from the acts or omissions of the Developer, its agents, representatives, contractors, or subcontractors, or arising from the failure of the Developer, its agents, representatives, contractors, or subcontractors to perform any act or duty required of the Developer in this Agreement. The indemnification by the developer will not extend to the negligent acts of the Water Authority.
- 7. Representations and Warranties of Developer.** The Developer represents and warrants that:
 - A.** Developer is a validly existing limited liability company under the laws of the State of Nevada.
 - B.** Developer has all the requisite power and authority to enter into this Agreement and bind the Developer under the terms of the Agreement; and

C. The undersigned officer of the Developer is fully authorized to execute this Agreement on behalf of the Developer.

- 8. Notices.** Any notice to be given under this Agreement will be in writing and will be deemed to have been given when deposited with the United States Postal Service, postage prepaid and addressed as follows:

If to the Water Authority:

Mark S. Sanchez
Executive Director
Albuquerque Bernalillo County
Water Utility Authority
One Civic Plaza, Room 5012
Albuquerque, New Mexico 87102

If to Developer:

Woodmont Paseo, LLC, a Nevada limited liability corporation
Attn: Kelly Calhoun, Manager
3077 East Warm Springs Road, Suit 100
Las Vegas, Nevada, NM 89120

- 9. Assignment.** This Agreement will not be assigned without the prior written consent of the Water Authority and the Developer.

- 10. Miscellaneous.** This Agreement will be governed by and interpreted in accordance with the laws of the State of New Mexico. The headings used in this Agreement are for convenience only and shall be disregarded in interpreting the substantive provisions of the Agreement. This Agreement binds and benefits the Water Authority and their successors, assigns, and transferees and the Developer and their successors, assigns and transferees. Time is of the essence of each term of this Agreement. If any provision of this Agreement is determined by a court of competent jurisdiction to be void, invalid, illegal, or unenforceable, that portion will be severed from this Agreement and the remaining parts will remain in full force as though the invalid, illegal, or unenforceable portion had never been a part of this Agreement.

- 11. Integration; Interpretation.** This Agreement contains or expressly incorporates by reference the entire agreement of the parties with respect to the matters contemplated by this Agreement and supersedes all prior negotiations. This Agreement may only be modified in writing executed by both parties.

- 12. Approval.** This Agreement is subject to the approval of the Board of Directors of the Water Authority and will not become effective until approved by the Water Authority.

Exhibit B: Serviceability Statement Valle Prado Units 1, 2 & 3

RECEIVED
AUG 8 2013

August 1, 2013

Chair

Art De La Cruz
County of Bernalillo
Commissioner, District 2

Vice Chair

Rey Garduño
City of Albuquerque
Councilor, District 6

Richard J. Berry
City of Albuquerque
Mayor

Maggie Hart Stebbins
County of Bernalillo
Commissioner, District 3

Trudy E. Jones
City of Albuquerque
Councilor, District 8

Debbie O'Malley
County of Bernalillo
Commissioner, District 1

Ken Sanchez
City of Albuquerque
Councilor, District 1

Ex-Officio Member
Pablo R. Rael
Village of Los Ranchos
Board Trustee

Executive Director
Mark S. Sanchez

Website
www.abcwua.org

Mr. Rick Beltramo, P.E.
Galway Construction
The Trails
6330 Riverside plaza lane NW, Ste 160
Albuquerque, NM 87120

**RE: Water and Sanitary Sewer Serviceability Statement #130708
The Trails Unit 3a & Valle Vista, Unit 2 - Zone Atlas Map: C-8 & C-9**

Dear Mr. Beltramo:

Project Information: The subject sites consist of a total of approximately 167 acres of mostly undeveloped land located immediately west of Woodmont Ave. between Rainbow Blvd. and Paseo del Norte. More specifically, Unit 3A consists of 158 acres. The Valle Vista unit consists of 9 acres. The majority of the property is zoned SU-1 and SU-2. The eastern-most portion of the property is located in Pressure Zone 4W; the remainder of the property lies within Pressure Zone 5W. The entire subject site lies within the Corrales Trunk service area.

All of Unit 3a and Valle Vista Unit 2 are currently outside of the Water Service and Sanitary Sewer Service Boundaries of the Water Authority. Pursuant to the System Expansion Ordinance, the Water Authority Board must approve a Development Agreement to serve this property and establish requirements as a condition of service. Contact the Utility Development Office for draft Development Agreements.

Previous Planning: In general, both Unit 3A and Valle Vista is part of a larger, regional development referred to as The Trails. Water and sanitary sewer service to The Trails as a whole was first addressed by New Mexico Utilities, Inc. (NMUI) via an agreement in April 17, 2003. This agreement was further modified between NMUI and The Trails in August, 2007.

The 2003 agreement required that The Trails provide a water well site to NMUI, and construct a sanitary sewer lift station. Both those requirements have been met. This agreement also limited the number of lots within The Trails to be served by NMUI to 1500 total until a final sanitary sewer outfall in Paseo del Norte is constructed.

The 2007 agreement amended the 2003 agreement to allow The Trails to expand the number of serviceable lots to approximately 3,000 pending the design and construction of a sanitary sewer outfall in then recently completed Paseo del Norte extension.

Other than the well site requirement, no specific water system improvements to the NMUI system were identified for service to The Trails in either of the two agreements.

Existing Conditions:

Valle Vista: Water and sanitary sewer infrastructure in the Valle Vista development was constructed and accepted by NMUI in 2006. There is currently one active meter service in the development. Water service to Valle Vista is via the existing 12 inch water lines in Woodmont Ave. and Rainbow Blvd. Sanitary sewer outfall is to the existing 15 inch line in Tempe Ave.

Unit 3a: Currently, there is no water or sanitary sewer infrastructure in Unit 3a. Water and sanitary sewer infrastructure design internal to Unit 3a was submitted and approved by the City of Albuquerque Development Review Committee in 2008; however, the project was put on hold before anything was constructed. As designed, the potable water for Unit 3a would come from the north via an extension of the existing closed loop pressure system that services Ventana Ranch West.

Service: In general, both water and sanitary sewer service can be extended into Unit 3a by the Water Authority after specific Master Plan criteria is identified and met by The Trails. Items that will be included in this Master Planning will include the need for The Trails to contribute to the expansion of the arsenic treatment capacity within the Corrales Trunk. This treatment capacity expansion is being required for all new development within the Corrales Trunk in order to enhance the overall water production capability in this service area.

Other Master Plan items, as well as internal distribution items can and will be addressed as development at The Trails proceeds. These items may include increased water reservoir capacity and/or new pumping and transmission line facilities.

This planning will include the ongoing need to complete a permanent sanitary sewer outfall from The Trails to the Paseo del Norte interceptor.

Any design and construction for public infrastructure required for this development will be wholly funded by the developer.

Metered water service will become available to the development only after compliance with the City Fire Marshal's fire flow requirements. Domestic water service will not be sold without fire protection availability to the developed site.

Design and Construction of all required improvements will be at the developer/property owner's expense and must be coordinated through the City of Albuquerque design review process. Designs must be by a licensed, New Mexico, registered professional engineer. Construction must be by a licensed, bonded, public utility contractor.

Costs and Fees: In addition to installation and construction costs, both sanitary sewer and metered water services will be subject to Utility Expansion Charges (UEC) payable at the time of service application. All charges and rates collected will be based on the ordinances and policies in effect at the time service is actually requested and authorized.

Water Supply Charge: All developments located outside of the Water Authority's service area will be assessed a Water Supply Charge (WSC) as provided in the Water Authority's Water and Sewer Rate Ordinance for the development of new water resources, rights and supplies necessary to serve the development. The WSC shall not be used for reimbursement of master planned facilities.

Easements: Water Authority public water and sanitary sewer easements are also required for all lines that are to be constructed outside of any dedicated rights-of-way. The minimum easement width for public water and sanitary sewer lines shall be 25 feet in width and 20 feet for a single line. Acceptable easements must be documented on the final site plan and/or plat prior to approval.

Water Use: All new development shall be required to meet the standard water usage of 180 gallons per household per day which is equivalent to 75 gallons per capita day. Indoor water use shall consist of 70% of total use with outdoor limited to 30%. Where available, outdoor water usage shall utilize reclaimed water.

Closure: This statement of serviceability will remain in effect for a period of one year from the date of issue and applies only to the development identified herein. Its validity is, in part, contingent upon the continuing accuracy of the information supplied by the developer. Changes in the proposed development may require reevaluation of availability and should be brought to the attention of the Utility Development Section of the Water Authority as soon as possible.

Please feel free to contact the Utility Development Office at (505) 924-3987, or by fax at (505) 924-3864 if you have questions regarding the information presented herein or need additional information.

Sincerely,



Mark S. Sanchez
Executive Director

f/ Serviceability

C-8, C-9

Exhibit C: Valle Prado Units 1, 2 & 3 Facility Fees

Valle Prado Units 1, 2 and 3 (81 Lots) Expected Water Demand						
	Dwelling Units	Residential Development		Mixed Use Areas (ac)	Mixed Use Areas	
		Expected Avg Demand (gpd based on 180 gpd/du)	Peak Day (gpd) (1.8 * Avg Day)		Mixed Use Area DU's (based on 10/acre)	Expected Avg Demand (gpd based on 90 gpd/du)
Valle Prado Unit 1	81	14,580	26,244	-	-	-
Sub-Totals	81	14,580	26,244			
TOTAL AVG DEMAND (GPD)		14,580				
TOTAL PEAK DEMAND (GPD)		26,244				

Corrales W2 to W3 Transmission Line and Arsenic Treatment		Reservoir Requirements	
Well Production Capacity	3000 gpm	Required Fire Volume (1000gpm for 2 hours)	120,000 gallons
Expected Pumping Duration	10 hrs/day	2 days storage (avg. demand)	29,160 gallons
Total Volume Pumped	1.8 MGD	TOTAL	149,160 gallons
Volume Required	26,244 gpd (Expected Peak Demand)	Reservoir Cost (per gallon) *	0.58
Proportioned Volume Pumped	0.01458	PROPORTIONED COST \$	86,512.80
Expected Pump Station Cost *	\$ 3,335,875.00	* Cost based on new 7W 3.0 MGD Steel Reservoir (from 10/2013)	
PROPORTIONED COST \$	48,637.06		

Total Proportioned Costs	
Arsenic Treatment \$	48,637.06
Reservoir Storage \$	86,512.80
TOTAL COST \$	135,149.87

PHASE	LOTS	FEE
Unit 1	32	\$ 53,392.54
Unit 2	29	\$ 48,386.99
Unit 3	20	\$ 33,370.34
TOTAL	81	\$ 135,149.87

