

Meeting Date: June 17, 2015
Staff Contact: Dave Price, Engineering Division Manager

TITLE: C-15-15 - 2016-2025 Decade Plan for Capital Improvements

ACTION: Recommend Approval

SUMMARY:

The Decade Plan for the Water Authority is developed every two years and describes proposed Capital Improvement Program (CIP) spending for the next ten years. The Decade Plan provides a direct link from the Water Authority's financial plan to the proposed capital needs. The Decade Plan does not obligate current or future funds for individual projects or categories of projects. The Decade Plan is a CIP planning document to identify projects and proposed spending over the next ten years. The Decade Plan was developed using asset management principles.

The following summarizes the proposed spending for the Basic Renewal Program, Special Projects and Growth Projects. The Growth Projects were divided into two categories: Level 1 Priority and Level 2 Priority Projects. The Level 1 Priority Projects are higher risk projects that are targeted for funding first. The Level 2 Priority Projects will be completed as funding becomes available.

| | FY16-17 (millions) | FY16-25 (millions) |
|---|-------------------------------|-------------------------------|
| Basic Program (Level 1 Priority Renewal Projects) | \$95 | \$595 |
| Special Projects | \$12.7 | \$39.5 |
| Growth Program (Level 1 Priority Growth Projects) | \$8 | \$40 |
| Growth Program (Level 2 Priority Growth Projects) | \$23 | \$124 |
| Total Growth Program | \$31 | \$164 |
| Total Level 1 Priority (Renewal & Growth) + Special Projects | \$116 | \$675 |
| Total Level 2 Priority (Growth) | \$23 | \$124 |
| Total of All Programs (Renewal, Special Project, Growth) | \$139 | \$798 |

The Basic Program consists primarily of renewal projects for both water and wastewater plant and field assets. Special projects include Steel Waterline Replacement, Automatic Meter Infrastructure, Renewable Energy Projects, and the Yucca-Central Interceptor

Realignment Project. Growth projects are new projects funded by the Water Authority or developer funded projects that are reimbursed through approved Development Agreements as well as for replacing vehicles. The spending Southside Water Reclamation Plant includes the additional special funding.

FISCAL IMPACT:

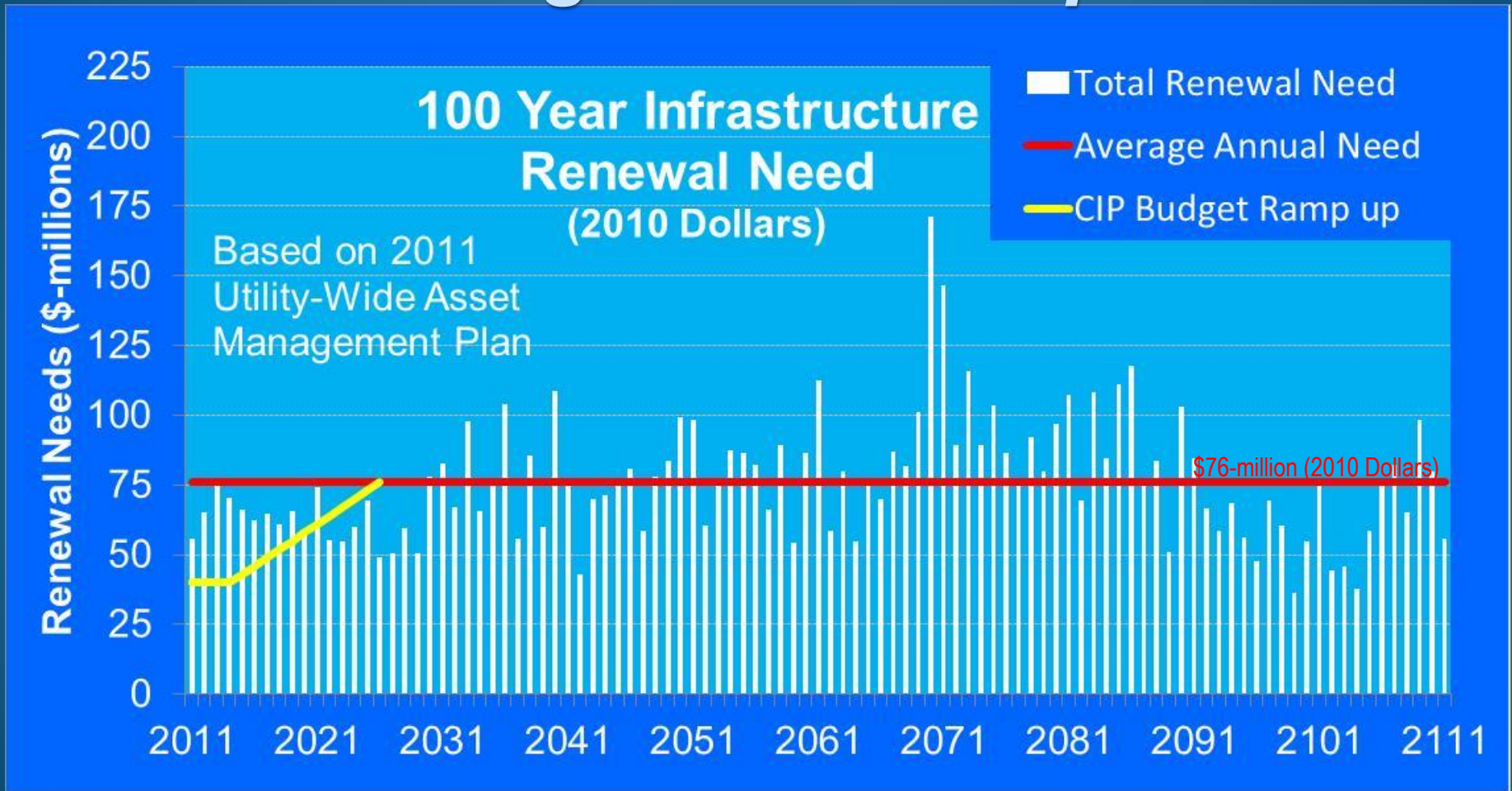
Total funding for this Decade Plan is \$798-million through FY 2025 for Level 1 and 2 Priority and Special Projects. Funding for the Decade Plan and proposed CIP projects will be appropriated in the Fiscal Year that they are proposed. Revenues for the proposed programs will come from a variety of sources including water and sewer rates, Utility Expansion Charges, grants, and revenue bonds. Revenues for the Basic Renewal Program assume an increase of \$3-million per year that started in FY2015 and continuing at this rate of increase through the decade. This increase in revenue is intended to increase the capital asset renewal program spending to maintain the infrastructure so that the expected level of service to customers can be sustained.

Item 9d
FY 2016 - 2025
Decade Plan



Albuquerque Bernalillo County
Water Utility Authority

Estimated Infrastructure Renewal Needs Based on Asset Management Principles



FY16 – 25 Decade Plan

Infrastructure Renewal Budgets

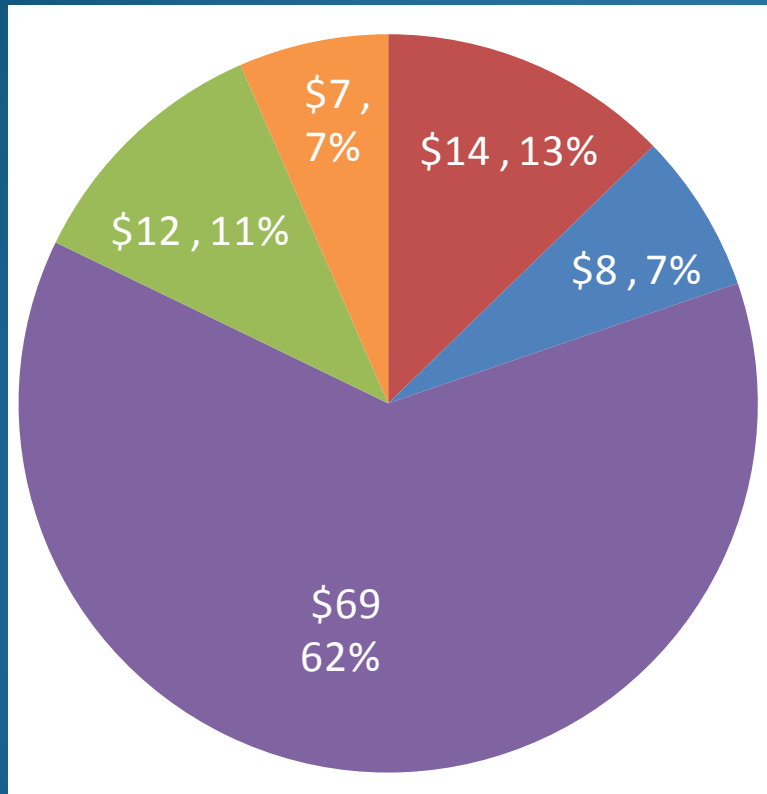
| Asset Renewal Category | FY 16 (\$-million) | FY 17 (\$-million) | FY 16 – 25 (\$-million) |
|---------------------------------------|-----------------------|-----------------------|----------------------------|
| 100 Sanitary Sewers | 5.4 | 8.6 | 141 |
| 200 Potable Water Pipelines | 4.1 | 3.6 | 123 |
| 300 Southside Water Reclamation Plant | 37.7 | 26.5 | 210 |
| 400 Soil Amendment Facility | 0.1 | 0.1 | 0.5 |
| 500 Lift & Vacuum Stations | 1.6 | 2.4 | 31 |
| 600 Odor Control Facilities | 0.2 | 0.1 | 0.6 |
| 700 Drinking Water Plant: Groundwater | 6.4 | 2.4 | 48 |
| 800 Drinking Water Plant: Treatment | 1.8 | 1.8 | 11.6 |
| 900 Non-Potable Water Systems | 0.2 | 0.1 | 0.8 |
| 1000 Compliance Division | 0.4 | 0.2 | 1.2 |
| 1100 Shared Renewal | 0.1 | 0.4 | 4.3 |
| 1200 Franchise Agreement Compliance | 2.0 | 2.0 | 20 |
| 1300 Vehicles & Heavy Equipment | 0.9 | 0.9 | 5.9 |

FY16 – 25 Decade Plan

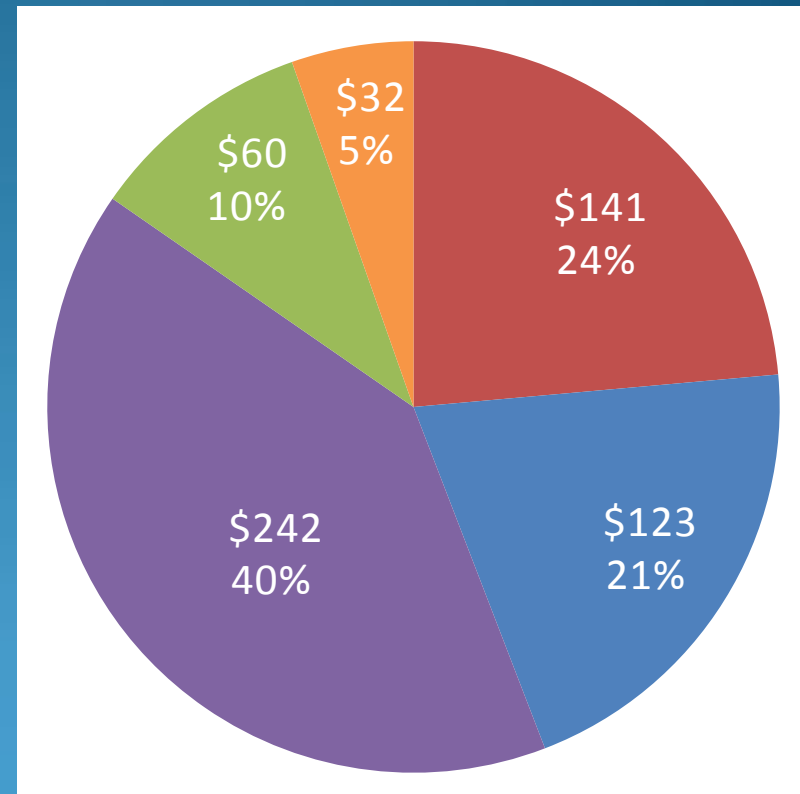
Infrastructure Renewal Budgets

in millions

FY16-FY17



FY16-FY25



■ Sewer Pipe
 ■ Water Pipe
 ■ Sewer Plant
 ■ Water Plant
 ■ Other